

ALASKA ECONOMIC **TRENDS**

MARCH 2022

Alaska population grew 0.1% in 2021



ALSO INSIDE

Decade growth in average wages
COVID's effect on worker counts

FROM THE COMMISSIONER

Agility has become increasingly key to workplace success

By Dr. Tamika L. Ledbetter, Commissioner

American workers are resilient. They've weathered economic ups and downs and the shared pandemic experience of the last two years. They have managed families — their kids *and* their parents — plus community responsibilities and safety measures, all while adapting to monumental changes in the workplace. Along the way, their success has been marked by their ability to be flexible and agile.

Agility, which is the ability to respond quickly to change, has become increasingly important for employers as well as workers. As we pivot toward recovery, organizational leaders and businesses are grappling with the need to be more flexible to recruit and retain quality workers.

Many employers have recognized the growing role of technology and the nuances of a considerable change to the workforce and its needs. Workers have changed too, and their workplace expectations look different today than they did in 2019.

Change can be intimidating, but it doesn't need to



be hard. Change encourages innovation and skill development, and agile employers will see how these workforce shifts can benefit their organizations.

Embracing flexibility — through strategies such as telework, flex schedules, and on-site child care — fosters more profession-

alism in the workplace and employees who are dedicated to the organization and its success. That's because employees who are valued are much more loyal and productive.

Albert Einstein summed it up beautifully when he said, "The measure of intelligence is the ability to change." If you are an employer, take this opportunity to reevaluate your workplace and your investment in your workers. Without a doubt, Alaskan workers will double your investment!

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



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ON THE COVER:

The Sheenjek River in the Arctic National Wildlife Refuge, photo by Alexis Bonogofsky, U.S. Fish and Wildlife Service

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

ON THIS SPREAD: The background image for 2022 is a sparkly Alaska shoreline, taken by Flickr user Darren Hsu. License: creativecommons.org/licenses/by-nc-sa/2.0/

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Population grew 0.1% last year

Growth from 2020-2021 was the first gain in 5 years

By DAVID HOWELL

Alaska's population grew by an estimated 932 people, or 0.1 percent, between the 2020 Census and July 2021. Although that gain might seem insignificant, it was the first time the population had grown since 2016.

Alaska continued to lose more people to migration than we gained for the ninth year in a row, but natural increase — births outnumbering deaths — was enough to offset that loss.

Large flows of people have always moved into and out of Alaska each year, and both of those numbers declined with the pandemic. But last year, the number who left decreased more than the number who arrived, resulting in the smallest net migration loss — in minus out — since 2015 (-3,327 people).

Fewer people moved in or out

During the last decade, an average of 46,138 people left the state each year, which dropped to 40,544 between 2020 and 2021.

The number who moved to Alaska also fell during the pandemic, but by a smaller amount. The

Total population up by 932 in 2021



Sources: U.S. Census Bureau, decennial censuses for 2010 and 2020; and Alaska Department of Labor and Workforce Development, Research and Analysis Section population estimates for all other years

10-year average for in-migration was about 4,000 higher than the 2021 number (37,217).

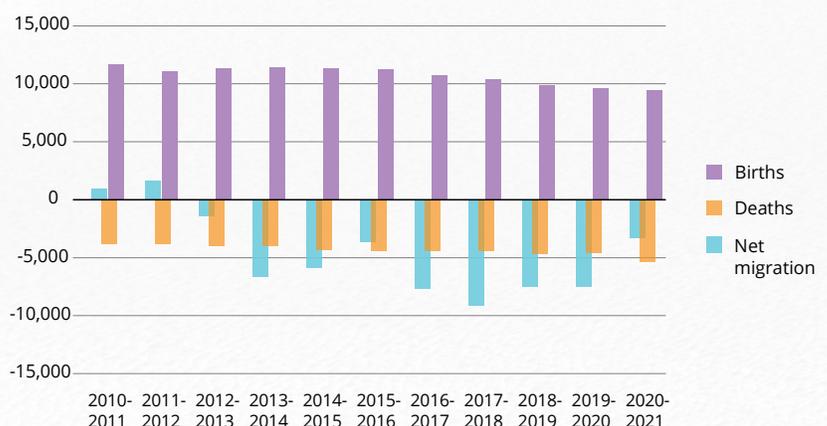
While we can't say for sure the year's shift was a one-off, that's more likely than a true change in migration patterns because the driving factors were temporary. The pandemic slowed people's desire and ability to move, and more people stayed put as

Text continues on page 6

Migration loss slows as births drop, deaths rise

Note: Net migration is the number of in-movers in a given year minus the number of out-movers.

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



Alaska's population by region and area for 2010, 2020, and 2020-2021

Area	Census April 2010	Census April 2020	Estimate July 2021	Natural increase		Net migration		Pop change		Avg ann growth	
				2010- 2020	2020- 2021	2010- 2020	2020- 2021	2010- 2020	2020- 2021	2010- 2020	2020- 2021
Alaska	710,231	733,391	734,323	66,975	5,330	-43,815	-4,398	23,160	932	0.32%	0.10%
Anchorage/Mat-Su Region	380,821	398,328	398,502	36,345	2,755	-18,838	-2,581	17,507	174	0.45%	0.03%
Anchorage, Municipality	291,826	291,247	289,697	28,113	2,084	-28,692	-3,634	-579	-1,550	-0.02%	-0.43%
Matanuska-Susitna Borough	88,995	107,081	108,805	8,232	671	9,854	1,053	18,086	1,724	1.84%	1.28%
Gulf Coast Region	78,631	81,619	81,492	4,817	394	-1,829	-521	2,988	-127	0.37%	-0.12%
Chugach Census Area	6,684	7,102	7,009	495	61	-77	-154	418	-93	0.61%	-1.05%
Copper River Census Area	2,955	2,617	2,626	125	-2	-463	11	-338	9	-1.21%	0.27%
Kenai Peninsula Borough	55,400	58,799	58,957	2,832	254	567	-96	3,399	158	0.60%	0.21%
Kodiak Island Borough	13,592	13,101	12,900	1,365	81	-1,856	-282	-491	-201	-0.37%	-1.24%
Interior Region	112,021	109,425	111,306	12,638	1,083	-15,234	798	-2,596	1,881	-0.23%	1.36%
Denali Borough	1,826	1,619	1,655	101	14	-308	22	-207	36	-1.20%	1.76%
Fairbanks North Star Borough	97,581	95,655	97,515	11,650	1,006	-13,576	854	-1,926	1,860	-0.20%	1.54%
Southeast Fairbanks Census Area	7,026	6,808	6,881	609	51	-827	22	-218	73	-0.32%	0.85%
Yukon-Koyukuk Census Area	5,588	5,343	5,255	278	12	-523	-100	-245	-88	-0.45%	-1.33%
Northern Region	26,445	28,870	28,261	3,826	354	-1,401	-963	2,425	-609	0.88%	-1.71%
Nome Census Area	9,492	10,046	9,691	1,417	126	-863	-481	554	-355	0.57%	-2.88%
North Slope Borough	9,430	11,031	10,995	1,160	91	441	-127	1,601	-36	1.56%	-0.26%
Northwest Arctic Borough	7,523	7,793	7,575	1,249	137	-979	-355	270	-218	0.35%	-2.27%
Southeast Region	71,664	72,286	72,494	3,385	129	-2,763	79	622	208	0.09%	0.23%
Haines Borough*	2,508	2,080	2,614	30	-4	-458	538	-428	534	-1.87%	18.20%
Hoonah-Angoon Census Area	2,149	2,365	2,350	48	-3	168	-12	216	-15	0.96%	-0.51%
Juneau, City and Borough	31,275	32,255	32,155	1,857	91	-877	-191	980	-100	0.31%	-0.25%
Ketchikan Gateway Borough	13,477	13,948	13,895	659	46	-188	-99	471	-53	0.34%	-0.30%
Petersburg Borough	3,203	3,398	3,368	133	3	62	-33	195	-30	0.59%	-0.71%
Prince of Wales-Hyder Census Area	6,172	5,753	5,729	257	-12	-676	-12	-419	-24	-0.70%	-0.33%
Sitka, City and Borough	8,881	8,458	8,387	287	5	-710	-76	-423	-71	-0.49%	-0.67%
Skagway Borough, Municipality	968	1,240	1,203	55	0	217	-37	272	-37	2.46%	-2.42%
Wrangell, City and Borough	2,369	2,127	2,096	19	-5	-261	-26	-242	-31	-1.08%	-1.17%
Yakutat, City and Borough	662	662	697	40	8	-40	27	0	35	0%	4.12%
Southwest Region	40,649	42,863	42,268	5,964	615	-3,750	-1,210	2,214	-595	0.53%	-1.12%
Aleutians East Borough	3,141	3,420	3,583	68	-1	211	164	279	163	0.85%	3.72%
Aleutians West Census Area	5,561	5,232	5,169	192	19	-521	-82	-329	-63	-0.61%	-0.97%
Bethel Census Area	17,013	18,666	18,416	3,146	319	-1,493	-569	1,653	-250	0.93%	-1.08%
Bristol Bay Borough	997	844	822	27	-2	-180	-20	-153	-22	-1.66%	-2.11%
Dillingham Census Area	4,847	4,857	4,718	615	59	-605	-198	10	-139	0.02%	-2.32%
Kusilvak Census Area	7,459	8,368	8,139	1,736	207	-827	-436	909	-229	1.15%	-2.22%
Lake and Peninsula Borough	1,631	1,476	1,421	180	14	-335	-69	-155	-55	-1.00%	-3.04%

*The 2020 decrease in the Haines Borough's population was caused by a large drop in housing units enumerated in the 2020 Census. The 2019 and 2021 population estimates for the borough are more accurate.

Notes: Vintage 2021. All numbers are based on 2020 geography.

Sources: U.S. Census Bureau, decennial censuses for 2010 and 2020; and Alaska Department of Labor and Workforce Development, Research and Analysis Section population estimates for all other years

university classes went online, people teleworked, and service industries shut down.

The influx of civilian and military personnel to Eielson Air Force Base near Fairbanks also provided a temporary boost to annual in-migration. The transfer of two F-35A squadrons picked up steam in the summer of 2020 and continued last year. Eielson's population will keep growing until project completion this spring, but no more large military moves are on the near horizon.

Fewer births and an unusually large jump in deaths in 2021

Alaska has long gained residents through natural increase, and while 2020-2021 was no exception, the growth was smaller. Births minus deaths equaled 4,072 additional residents: 1,000 fewer than we added from 2019 to 2020.

Births have declined steadily since the middle of the last decade, and 2021's drop in births from the year before was in line with that trend. Deaths, on the other hand, jumped by more than 700 from the previous year: from 4,613 to 5,373.

While births didn't begin falling until recent years, deaths have been rising for decades. Aside from the most recent year, deaths have increased by about 100 per year since 2010, and that rise will continue as Alaska's large baby boomer cohort, born between 1946 and 1964, gets older.

The jump in deaths from 2020 to 2021 was more than double that of any other year since statehood, though. COVID-19 increased the state's mortality rate, although the scope of the pandemic's role in deaths isn't clear.

Between July 1, 2020, and June 30, 2021, 380 people died from COVID-19. That number accounts for just over half of the jump in deaths from the year before. We don't know how many other deaths were indirectly linked to COVID, though, or whether the pandemic-related decline in movers was a factor.

Some Alaska areas had more deaths than births last year

While Alaska's natural increase has been steady, that wasn't the case for every part of the state last

Alaska's senior population recently topped 100,000 people for the first time.

year. Seven boroughs and census areas recorded natural decrease, or more deaths than births: Prince of Wales-Hyder, Wrangell, Haines, Hoonah-Angoon, Bristol Bay, Copper River, and Aleutians East.

These areas are either older with low birth rates, including those in Southeast, or have transient populations who live in group quarters, such as seafood processing plants in the Aleutians. One thing they all have in common, though, is a median age over 40. Alaska's median age is 36.

25 states saw natural decrease, but it remains unlikely for Alaska

Natural decrease is a relatively new phenomenon for Alaska, but not for the Lower 48. A handful of states have had more deaths than births for years, and according to the U.S. Census Bureau's recent estimates, 25 states recorded natural decrease in 2020-2021. Florida lost the most people to natural decrease by far (-45,248), and COVID deaths were the primary reason.

Natural decrease will become more common in the Lower 48 as birth rates remain low and baby boomers age, but Alaska probably won't see natural decrease for a long time, if ever. People tend to leave Alaska around retirement age, when mortality rates start to increase, and Alaska gains in-movers at the younger working ages when birth rates are at their highest.

Still, Alaska's population of senior citizens continues to grow, with the number 65 and older topping 100,000 for the first time recently. That was 6,000 more than the year before and more than 45,000 above 2010.

The rise will continue because the youngest baby boomers won't turn 65 until 2029, and Alaska's boomer population skews young. Many in that generation moved here in the mid-1970s and 1980s, when they were in their 20s and 30s, during the pipeline construction and oil boom.

Loss in the younger groups

As the number of Alaskans over 65 grows, the youngest age groups continue to shrink.

The decline in births since the middle of the last decade caused a sharp drop in the 0-4 age group. Alaska had 53,996 children in this range in 2010, which fell to 48,972 in 2020 and 46,707 in 2021.

The school-age population, ages 5-17, grew for much of the last decade before beginning to decline. Alaska had 135,154 school-age kids in 2021, which was 200 fewer than 2020 but still higher than the 2010 count of 133,382.

This age group will likely shrink steadily in the coming years as the number aging out of the school years will soon top the number aging in.

The working-age population, ages 18-64, peaked early in the last decade. This highly mobile age group started to decrease as Alaska's net migration turned negative, declining by 1 percent since the 2010 Census. Baby boomers aging out of this group is another reason it has become smaller.

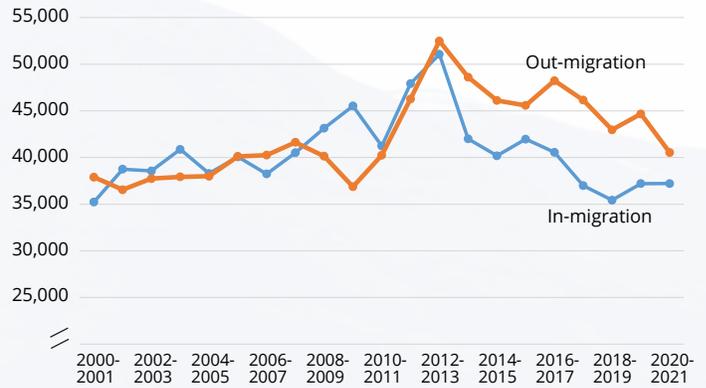
Overview of growth or loss by area

Because of the growth at Eielson Air Force Base, the Fairbanks North Star Borough became Alaska's fastest-growing area. Fairbanks gained 1,860 people between 2020 and 2021.

COVID-19 threw off Fairbanks' numbers, though, as the University of Alaska Fairbanks dorm population appeared larger in 2021 than the year before. The 2020 Census counted the dorms after UAF sent students home for online classes, leading to an undercount. In 2021, the dorm count jumped by 500.

The only other borough to gain large numbers of people over the year was the Matanuska-Susitna Borough, which is typically the state's fastest-growing area. Mat-Su added 1,700, which was the highest

Alaska's migration patterns since 2000



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

number since 2017 but below its early-2010s gains.

The Kenai Peninsula has grown steadily since the last decade, and it added 158 people in 2021.

Anchorage's 2020 Census population count came in just below 2010 because of losses in the latter half of the decade. Those losses continued into 2021, with the city losing another 1,550 people after the 2020 Census. However, that half-a-percentage-point decrease was the smallest for Anchorage since 2017.

Juneau's population decreased by 100 people between the 2020 Census and summer 2021, to 32,155, marking the capital's sixth year of modest loss. Like much of the state, Juneau's population peaked mid-decade, then began a slow decline.

The Northern and Southwest regions grew the fastest between 2010 and 2020, but both lost population over the past year. Natural increase is typically the main source of growth for rural areas, but in some years, net migration losses are large enough to cancel out that growth.

[Click here for complete 2021 population estimates.](#)

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Average wages grew over decade

11 percent overall, but varied by industry and Alaska area

By NEAL FRIED

The average yearly wage in Alaska rose 11 percent between 2010 and 2020 when adjusted for inflation, or about \$5,809 more by 2020.

Nearly all parts of the state saw some wage growth, but rates varied from a 48 percent increase in the Aleutians East Borough to a slight loss for the Lake and Peninsula Borough.

If we exclude 2020 from the calculation, the increase through 2019 was just 3 percent. Although it might seem counterintuitive for a year of massive job loss, the pandemic boosted the average wage notably between 2019 and 2020 because of the types of jobs Alaska lost and the way the average annual wage is calculated.

Most jobs lost to COVID-19 were lower-wage, part-time positions in the service industries, pushing up the average wage for the remaining jobs. (For more on the data, see the sidebar below. For a look at *total* wages paid in 2020, see the next article on page 10.)

For example, the average wage for the leisure and hospitality sector in 2020 was \$25,164. These are mainly lower-paying, part-time jobs in entertainment, hotels, bars, and restaurants. In contrast, mining

Change in wages by area over a decade

	2010 avg wages	2020 avg wages	Percent change
Alaska	\$55,307	\$61,116	11%
Aleutians East Borough	\$37,674	\$55,776	48%
Aleutians West Census Area	\$46,296	\$62,880	36%
Anchorage Municipality	\$58,659	\$64,536	10%
Bethel Census Area	\$42,082	\$48,108	14%
Bristol Bay Borough	\$49,369	\$63,120	28%
Denali Borough	\$51,372	\$65,232	27%
Dillingham Census Area	\$42,360	\$52,740	25%
Fairbanks North Star Borough	\$52,693	\$56,892	8%
Haines Borough	\$37,757	\$40,632	8%
Hoonah-Angoon Census	\$36,283	\$39,564	9%
Juneau City and Borough	\$51,080	\$59,040	16%
Kenai Peninsula Borough	\$47,728	\$54,576	14%
Ketchikan Gateway Borough	\$47,214	\$52,548	11%
Kodiak Island Borough	\$46,324	\$49,644	7%
Kusilvak Census Area	\$27,118	\$34,644	28%
Lake and Peninsula Borough	\$42,444	\$39,816	-6%
Matanuska-Susitna Borough	\$42,986	\$48,420	13%
Nome Census Area	\$46,769	\$60,060	28%
North Slope Borough	\$97,723	\$108,864	11%
Northwest Arctic Borough	\$60,815	\$75,936	25%
Petersburg Borough	\$39,676	\$44,628	12%
Prince of Wales-Hyder Census Area	\$40,177	\$44,328	10%
Sitka City and Borough	\$44,641	\$51,444	15%
Skagway Borough, Municipality	\$44,669	\$47,280	6%
Southeast Fairbanks Census Area	\$70,021	\$75,084	7%
Valdez-Cordova Census Area*	\$53,291	\$63,372	19%
Wrangell City and Borough	\$40,121	\$44,652	11%
Yakutat City and Borough	\$38,758	\$54,324	40%
Yukon-Koyukuk Census Area	\$41,734	\$42,588	2%

*This area was divided into two census areas in 2020 (Copper River and Chugach) but is combined here for comparison to 2010.

Note: Inflation-adjusted to 2020 dollars

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

About the data

Average wage data come from payroll reports that most Alaska employers submit to the Department of Labor and Workforce Development; they are not estimated or sample-based. The average annual wage is the total payroll divided by the total number of jobs.

One of the data's strengths is the straightforwardness and simplicity, but multiple factors can move the numbers. These include changes in the numbers of hours worked, wage rates, or industry and occupational mixes.

Another limitation is that this data set can't differentiate between part-time and full-time jobs, so they carry equal weight.

is mostly full-time work in oil and gas and hard rock mining that averages \$154,500 a year.

The mining sector did shed jobs in 2020, but jobs lost in the pandemic came disproportionately from leisure and hospitality and retail. Those two industries alone lost nearly 12,000 jobs in a year.

Excluding so many lower-wage jobs from the calculation while the higher-paying jobs remained pushed the annual average up considerably.

Growth differences by area and industry

Most of the areas with the highest average wage growth over the decade were small labor markets with seasonal workforces.

Areas topping 25 percent were mainly fish processing centers. Wages in Aleutians East Borough, which mainly come from seafood processing and can swing widely even under normal circumstances, grew 48 percent overall.

Another example is the tourism-centered Denali Borough, which lost over half of its employment when the visitor season evaporated that year. The remaining jobs were mainly higher-paying government and mining positions, which drove the average annual wage up from \$45,912 in 2019 to \$65,232.

Most large communities, which have more diverse economies, fell into the average range for wage increases. These included Fairbanks, Anchorage, and the Matanuska-Susitna Borough.

The changes by industry over the decade were all over the map, too. Seafood processing was again an extreme example at 35 percent. The minimum wage increase probably helped lift seafood processing's average annual wage, because the minimum wage is often the base pay. Workers rely on copious amounts of overtime to fatten their paychecks.

In 2010, Alaska's minimum wage was \$7.75, and in

Industry wages and how much they've risen

	2010 avg wages	2020 avg wages	Percent change
All industries	\$55,307	\$61,116	11%
Mining	\$134,159	\$154,500	15%
Oil and Gas	\$138,387	\$169,632	23%
Construction	\$81,244	\$82,356	1%
Manufacturing	\$44,613	\$55,752	25%
Seafood Processing	\$40,010	\$54,096	35%
Wholesale Trade	\$59,229	\$61,680	4%
Retail Trade	\$32,695	\$35,508	9%
Transportation and Warehousing	\$66,405	\$80,028	21%
Utilities	\$81,383	\$96,816	19%
Information	\$63,763	\$74,316	17%
Financial Activities	\$59,340	\$65,940	11%
Professional and Business Services	\$64,152	\$68,544	7%
Education and Health Services	\$48,896	\$58,848	20%
Health Care	\$55,389	\$65,265	18%
Leisure and Hospitality	\$22,932	\$25,164	10%
Other	\$34,364	\$40,392	18%
Total Government	\$58,117	\$62,868	8%
Federal	\$79,325	\$83,052	5%
State	\$57,839	\$61,836	7%
Local	\$48,813	\$55,152	13%

Note: Inflation-adjusted to 2020 dollars

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

2020, it was \$10.19. This likely affected some data by area, too, partly explaining why some places topped the list for robust wage growth.

Inflation hadn't yet become a factor for these numbers

Inflation wasn't a big influence on wages over the decade, as it was 1.5 percent on average each year from 2010 to 2020. That's likely to change, however, because the inflation rate rose into new territory in 2021. ([See the February issue for more.](#))

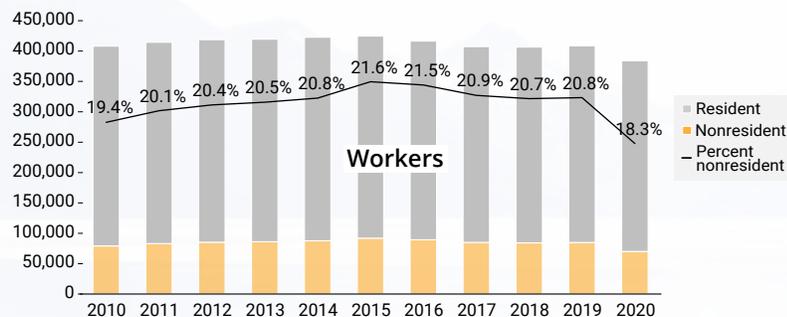
For the first three quarters of 2020, unadjusted wages averaged \$59,903 for the year, and for the same period in 2021, it was \$60,457. That was a 1 percent increase in wages, but inflation was 4.9 percent in 2021, effectively wiping out the minor gain and then some.

Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

COVID-19 and worker counts

Total wages didn't decline as much as worker numbers

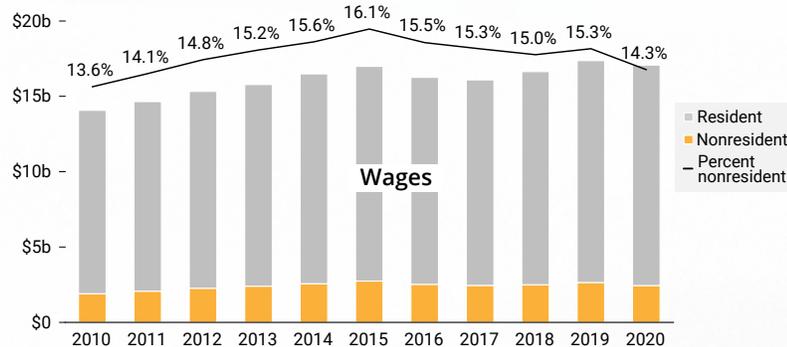
Resident and nonresident worker counts both dropped in 2020 ...



By **ROB KREIGER**
and **GUNNAR SCHULTZ**

The pandemic shifted worker and wage statistics in ways Alaska has never seen. The number of people working in 2020 dropped by nearly 25,000 from the previous year — 6.1 percent — which was the biggest annual loss in at least the last 30 years. At the same time, total wages paid in 2020 dipped just 1.7 percent.

... but total wages dipped less than 2%



Wages held up despite steep drop in workers

It's typically a positive sign when the resident and nonresident worker numbers both rise, and a sign of weakness when both fall. The numbers of working residents and nonresidents both dropped by unprecedented amounts in 2020, reflecting the pandemic's sudden and dramatic shock to the economy.

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

Although the worker count plunged, total wages decreased

Why we measure residency

Alaska has long relied on nonresidents to meet the labor demand for large projects, including the Trans-Alaska Oil Pipeline in the 1970s. The oil-fueled construction boom of the 1980s also drew a flood of nonresidents, and that was the catalyst for Alaska's resident hire preference.

With rising unemployment and a growing resident labor force, the Alaska Legislature established resident preference for state and local government-funded

construction projects in 1986, then asked the Alaska Department of Labor and Workforce Development to report annually on resident hire status.

To calculate residency, we match detailed, employer-provided quarterly unemployment insurance wage records with Alaska Permanent Fund Dividend applicant data. When workers show up in more than one industry or occupation in a year, we base the industry and occupation on where they earned the most money.

Workers are residents if they appear in either of the two most recent years' PFD applicant files.

only modestly. While that might seem counterintuitive, it suggests many of the jobs that were cut or didn't materialize in 2020 were low-paying, and people who continued to work made more.

Nearly every industry shed workers, but those linked to tourism lost the most by far because of the almost nonexistent visitor season and lack of cruise ships. The hardest-hit industries tended to have lower-paying, seasonal, and part-time work.

People who remained in the workforce that year earned more for a few reasons. High-paying jobs were less likely to be cut, some people worked more hours, and some employers increased workers' pay.

A handful of industries paid out *more* in 2020 than in 2019 despite losing workers. Finance and insurance is one example. The industry lost 2.8 percent of its workers but increased its payroll by over 6 percent. The wage growth in this industry, which includes most major banks and mortgage companies, probably came from more refinancing and home-buying in the second half of the year.

Health care and social assistance was the only major industry to add workers *and* wages in 2020, which wasn't a surprise given the strain the pandemic put on the health care system. But while its worker count grew by just a fraction of a percentage point, health care paid out nearly 4 percent more in total wages.

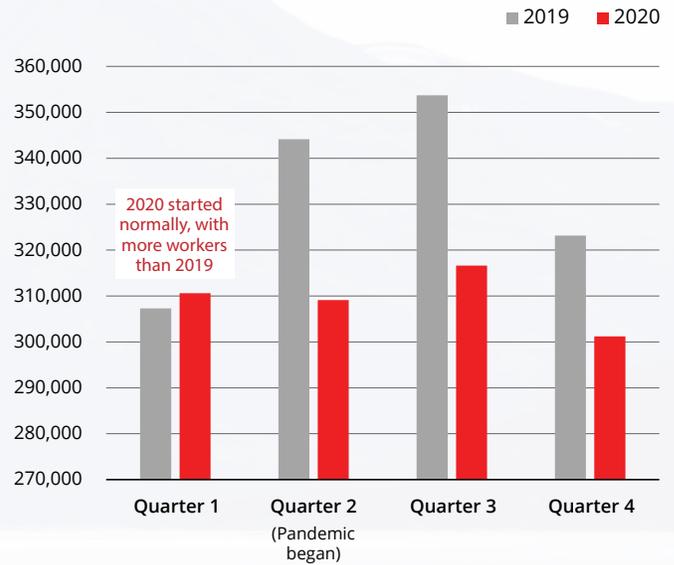
Positive start to 2020's hiring quickly changed direction

The pandemic interfered with the typical yearly hiring pattern as well. In a normal year, Alaska's worker count rises in the second quarter as hiring ramps up for seasonal work such as seafood processing and tourism — industries that rely on nonresidents to meet their labor needs. Then, worker counts peak in the third quarter before falling in the fourth.

Early 2020 began on a positive note, with more workers than in the first quarter of 2019. When the pandemic arrived in March, the blow was immediate and severe, mainly because nonresidents didn't come to Alaska for summer work as usual. The second quarter had even fewer workers than the first — the only time that's happened since data became available.

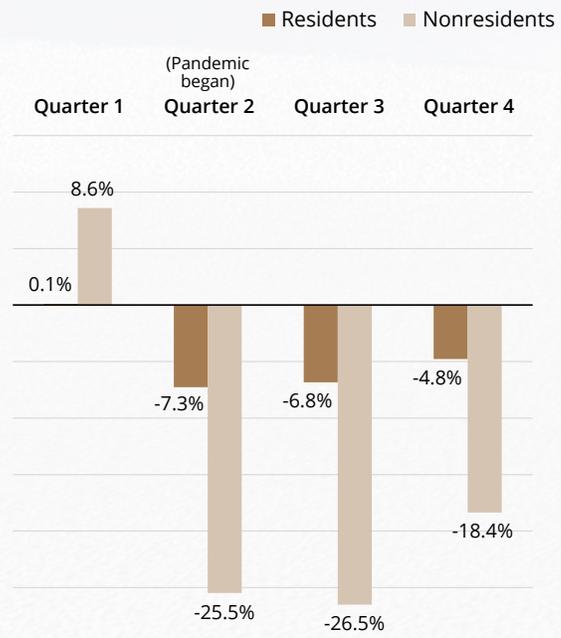
The closures of bars and restaurants exacerbated the job losses from the lack of tourists. The

Worker counts dropped in the 2nd quarter when the pandemic hit



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

Drop in nonresident worker numbers much steeper than residents in 2020



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

How worker counts and total wages paid changed from 2019 to 2020

Industry	Total		Nonresident		Resident	
	Change in workers	Change in total wages	Change in workers	Change in total wages	Change in workers	Change in total wages
Mining, Quarrying, and Oil and Gas Extraction*	-4.6%	-6.5%	-5.4%	-7.6%	-4.0%	-6.0%
Construction	-1.2%	-3.3%	-2.4%	-10.1%	-0.9%	-2.2%
Manufacturing	-10.8%	-5.6%	-11.2%	-9.0%	-10.0%	-2.3%
Seafood Processing	-11.9%	-7.0%	-10.7%	-7.7%	-16.2%	-5.6%
Wholesale Trade	-5.0%	-5.0%	-17.4%	-15.4%	-3.2%	-4.2%
Retail Trade	-0.8%	2.1%	-15.1%	-11.2%	1.6%	3.3%
Transportation and Warehousing	-15.0%	-3.0%	-29.9%	-0.2%	-9.5%	-4.0%
Information	-5.8%	2.1%	-12.1%	0.7%	-5.1%	2.2%
Finance and Insurance	-2.8%	6.1%	-2.7%	29.8%	-2.8%	5.1%
Real Estate and Rental and Leasing	-19.8%	-7.8%	-19.4%	-1.7%	-19.8%	-8.3%
Professional, Scientific, and Technical Services	-1.1%	-2.8%	-1.1%	-7.6%	-1.1%	-1.7%
Admin Support/Waste Mgmt and Remediation	-5.6%	-1.0%	-17.7%	-9.0%	-2.2%	0.7%
Educational Services	-13.9%	-0.4%	-36.1%	6.7%	-8.2%	-1.1%
Health Care and Social Assistance	0.6%	3.9%	0.2%	4.5%	0.6%	3.8%
Arts, Entertainment, and Recreation	-34.1%	-32.6%	-57.6%	-61.0%	-21.7%	-22.2%
Accommodation and Food Services	-19.8%	-26.5%	-43.3%	-47.8%	-9.8%	-20.7%
Local Government	-2.1%	2.6%	-6.5%	9.9%	-1.8%	2.2%
State Government	-1.5%	1.4%	-3.6%	6.9%	-1.3%	1.2%
Total	-6.1%	-1.7%	-17.4%	-7.7%	-3.1%	-0.6%

*This industry category includes support activities for oil and gas drilling and related operations.

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

visitor-related industries, such as accommodation and food service, had 14,500 fewer workers over the year than in 2019. That 22 percent drop was the largest by far among major industries.

Unlike tourism, which mostly shut down, seafood processing maintained most operations, albeit under challenging circumstances. While the industry did hire in 2020, seafood processing had 23 percent fewer workers in the third quarter than it had in 2019. The third quarter usually requires the most workers because the summer salmon harvest is so labor-intensive.

Denali and Skagway lost nearly all of their nonresident workers

Every area of the state lost workers in 2020, especially those that rely on visitors. (See the maps on the next page.) The Denali Borough lost over 85 percent of its nonresident workforce with the effective shutdown of Denali National Park. The borough's losses were the largest in both number and percent terms.

Skagway, which is also tourism-based and employs a large seasonal workforce, was a close second with an 84 percent nonresident decline. Large percent drops were common throughout Southeast with the absence of cruise ships.

Dillingham and the Aleutians East Borough also recorded sharp worker declines, especially among nonresidents, with reduced seafood processing. Dillingham has remote sportfishing and hunting lodges that also rely on nonresidents, and those were closed or only open on a limited basis.

Although Anchorage lost as many nonresident workers as Denali, the city's loss was just 13 percent. Anchorage has a diverse economy and relies less on seasonal workers.

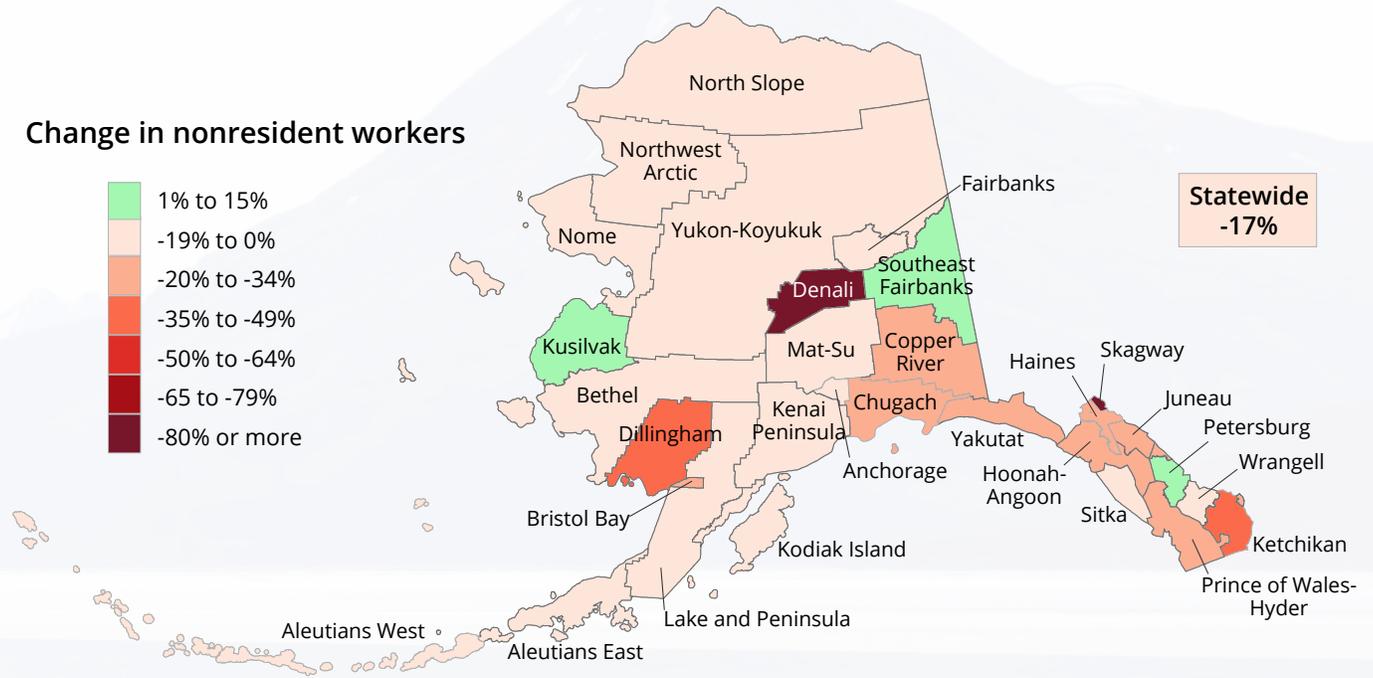
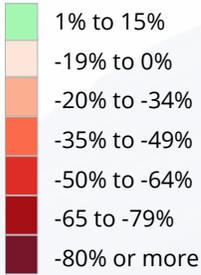
[Click here for the complete 2020 report on nonresidents working in Alaska.](#)

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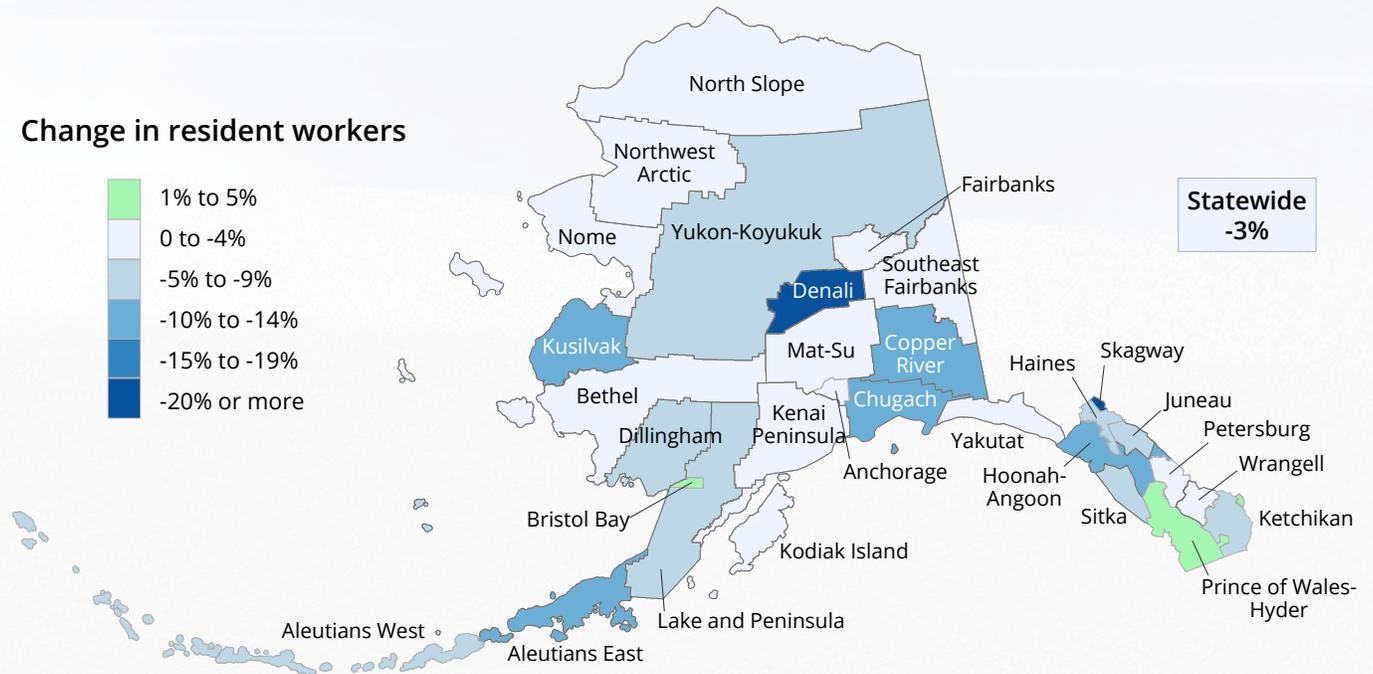
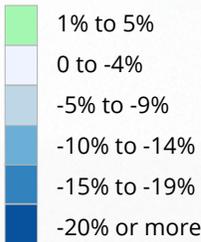
Gunnar Schultz is an economist in Juneau. Reach him at (907) 465-6038 or gunnar.schultz@alaska.gov.

Change in number of workers by area in 2020, resident and nonresident

Change in nonresident workers

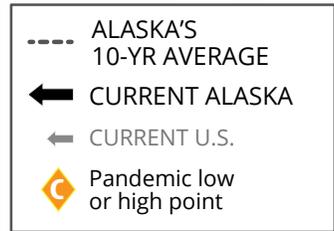


Change in resident workers



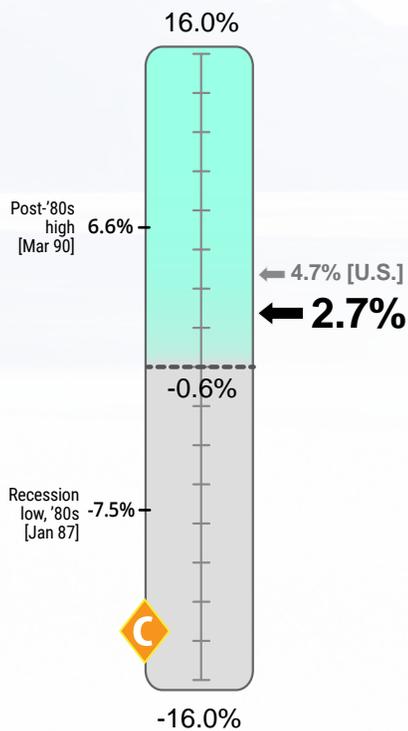
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Gauging The Economy



Job Growth

December 2021
Over-the-year percent change

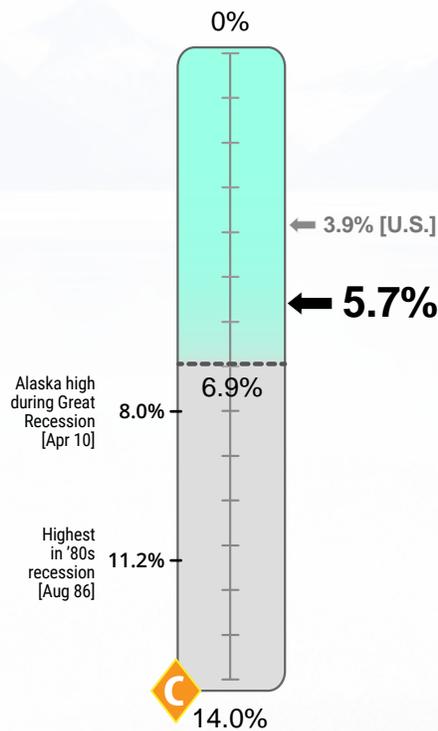


The spread of COVID-19 caused rapid job loss in early 2020. Although employment is up significantly from 2020, it is still well below pre-COVID levels.

U.S. employment levels, which were up 4.7 percent from December 2020, were still 1.6 percent below December 2019.

Unemployment Rate

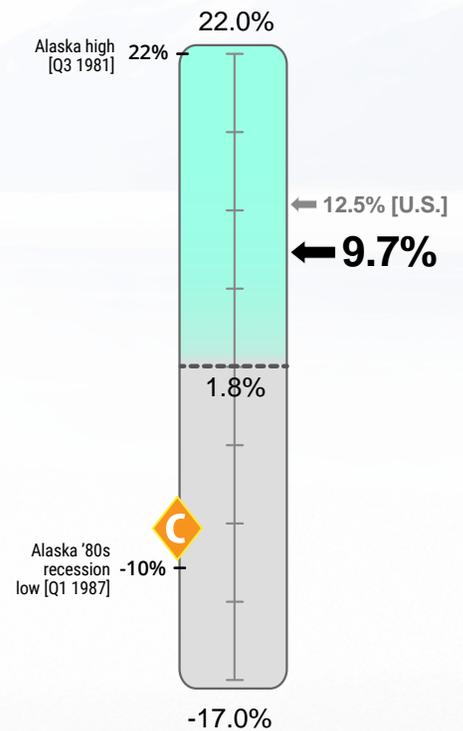
December 2021
Seasonally adjusted



Alaska's unemployment rate has been less useful as an economic measure during the pandemic because of data collection difficulties and an unusually large number of people leaving the labor market — that is, not working or looking for a job.

Wage Growth

3rd Quarter 2021
Over-the-year percent change



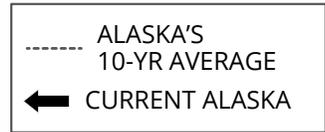
After being well down during the second and third quarters of 2020, total wages paid by Alaska employers climbed above year-ago levels in the fourth quarter of 2020.

Wages were up 9.7 percent from year-ago levels in the third quarter of 2021 and 2 percent above third quarter 2019.

Where are the new employment numbers?

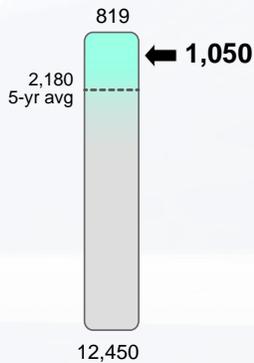
Due to scheduled annual revisions, the data we use to generate the monthly unemployment rate and job numbers aren't available for March issues of *Trends*. We will release two months' worth of data in March and include data through February in the April issue.

Gauging The Economy



Initial Claims

Unemployment, week ending Feb. 12, 2022*

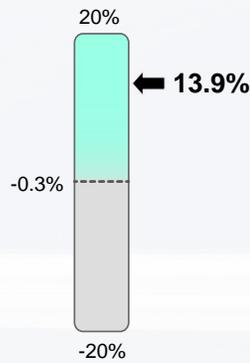


Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads are on the decline, and new claims for benefits are back below their long-term average.

*Four-week moving average ending with specified week

GDP Growth

3rd Quarter 2021
Over-the-year percent change*

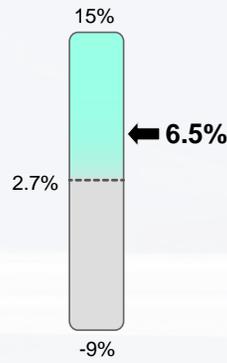


Gross domestic product is the value of the goods and services a state produces. Alaska's GDP fell hard in early 2020 but recovered nearly all those losses in 2021.

*In current dollars

Personal Income Growth

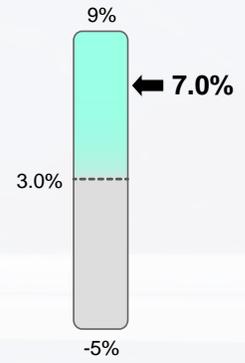
3rd Quarter 2021
Over-the-year percent change



Personal income jumped early this year, largely because of federal COVID-19 relief funding, and has since fallen.

Change in Home Prices

Single-family, percent change from prior year, Q3 2021*

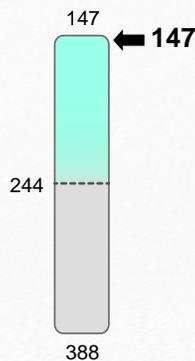


Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

*Four-quarter moving average ending with specified quarter

Foreclosures

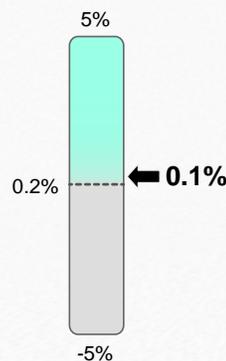
1st Quarter 2020



Foreclosure moratoriums have kept these numbers low during the pandemic.

Population Growth

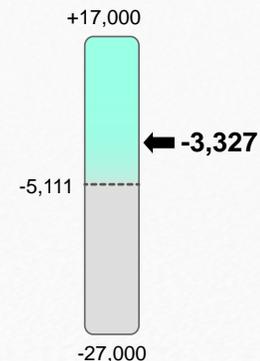
2020 to 2021



After four years of decline, Alaska's population grew slightly in 2021.

Net Migration

2020 to 2021



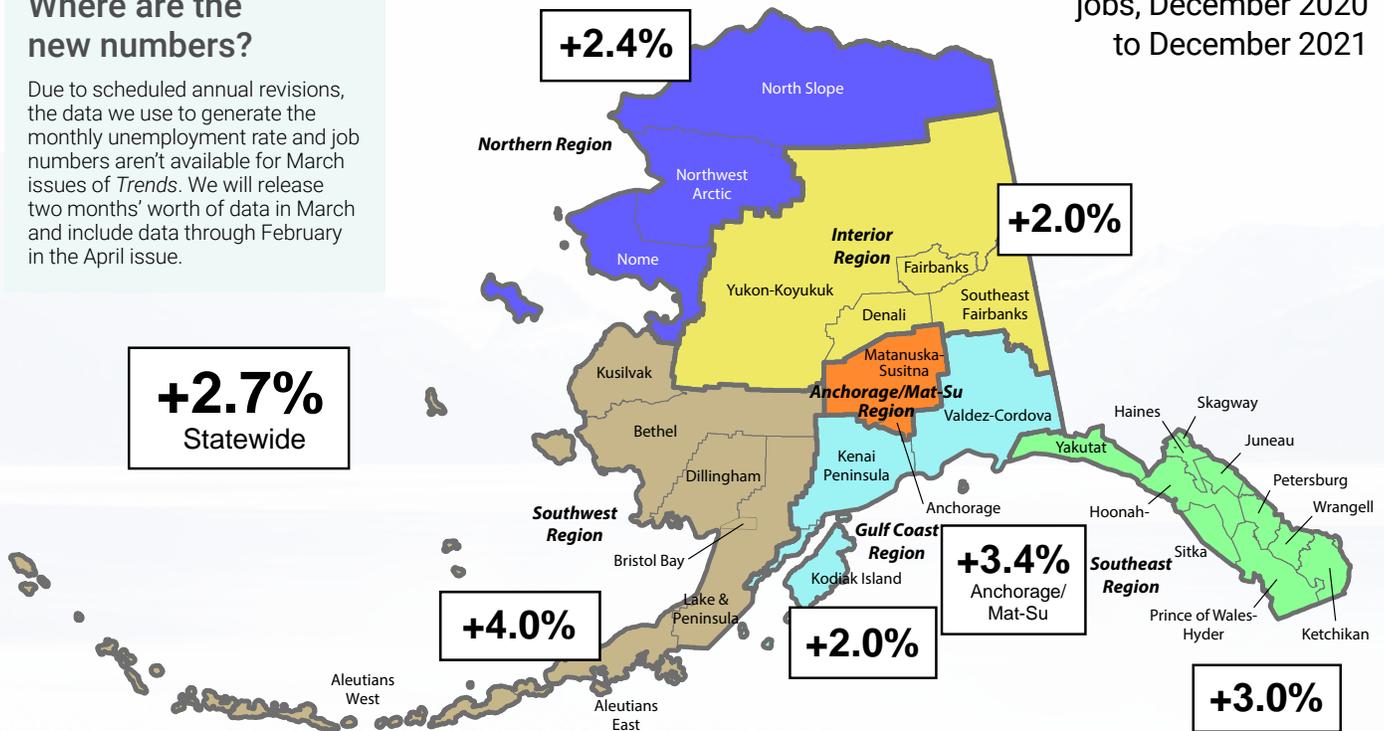
The state had net migration losses for the ninth consecutive year in 2021, although the loss was smaller. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, December 2020 to December 2021

Where are the new numbers?

Due to scheduled annual revisions, the data we use to generate the monthly unemployment rate and job numbers aren't available for March issues of *Trends*. We will release two months' worth of data in March and include data through February in the April issue.



Seasonally adjusted

	Prelim.	Revised	
	12/21	11/21	12/20
United States	3.9	4.2	6.7
Alaska	5.7	6.0	6.5

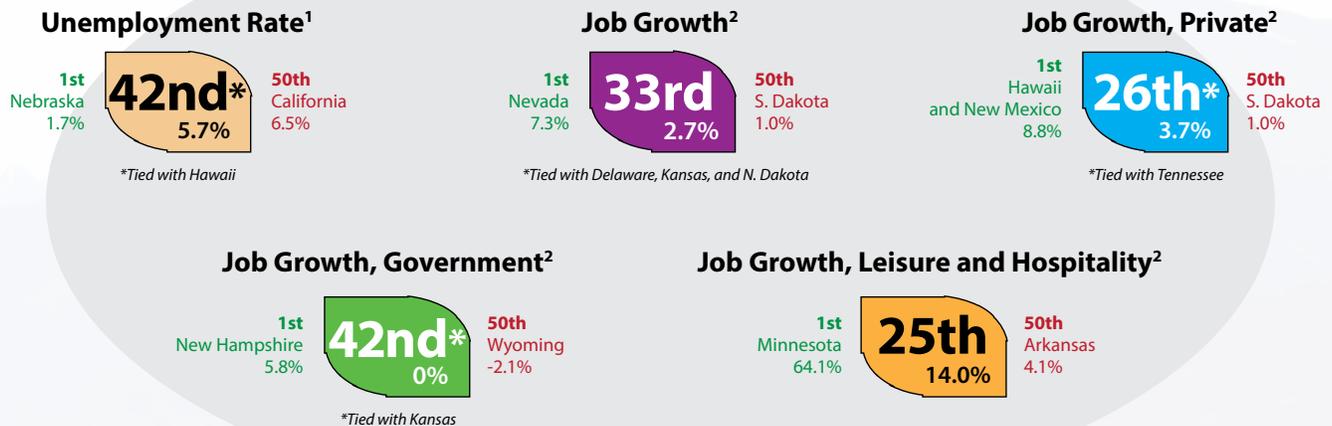
Not seasonally adjusted

	Prelim.	Revised	
	12/21	11/21	12/20
United States	3.7	3.9	6.5
Alaska	5.4	5.5	6.6

Regional, not seasonally adjusted

	Prelim.	Revised			Prelim.	Revised			Prelim.	Revised	
	12/21	11/21	12/20		12/21	11/21	12/20		12/21	11/21	12/20
Interior Region	4.9	5.2	5.4	Southwest Region	9.2	9.4	10.3	Southeast Region	5.1	5.2	6.4
Denali Borough	14.5	15.4	13.7	Aleutians East Borough	3.9	3.3	9.1	Haines Borough	10.5	10.0	11.8
Fairbanks N Star Borough	4.5	4.7	5.1	Aleutians West Census Area	4.3	4.2	7.9	Hoonah-Angoon Census Area	9.6	9.6	10.6
Southeast Fairbanks Census Area	6.1	6.5	6.7	Bethel Census Area	10.7	11.3	10.5	Juneau, City and Borough	3.5	3.7	4.8
Yukon-Koyukuk Census Area	10.1	10.0	8.6	Bristol Bay Borough	10.7	9.4	9.8	Ketchikan Gateway Borough	5.8	5.9	7.4
Northern Region	7.4	8.1	7.3	Dillingham Census Area	6.6	7.1	6.9	Petersburg Borough	7.4	7.7	8.2
Nome Census Area	7.9	8.9	7.2	Kusilvak Census Area	16.2	16.4	15.1	Prince of Wales-Hyder Census Area	6.7	6.7	6.7
North Slope Borough	4.9	5.8	5.9	Lake and Peninsula Borough	7.7	8.4	9.1	Sitka, City and Borough	3.9	4.3	6.1
Northwest Arctic Borough	9.0	9.2	8.9	Gulf Coast Region	7.2	6.8	8.3	Skagway, Municipality	14.3	13.5	17.5
Anchorage/Mat-Su Region	4.8	5.0	6.3	Kenai Peninsula Borough	6.6	6.7	7.9	Wrangell, City and Borough	7.1	7.0	6.9
Anchorage, Municipality	4.4	4.7	6.1	Kodiak Island Borough	9.4	6.4	10.6	Yakutat, City and Borough	8.1	8.6	7.7
Mat-Su Borough	6.0	6.0	6.6	Valdez-Cordova Census Area	8.2	8.3	7.8				

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)	241.698 2nd half 2021	227.258	+6.4%
Commodity prices			
Crude oil, Alaska North Slope, * per barrel	\$86.50 Jan 2022	\$55.53	+55.77%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$4.26 Jan 2022	\$2.64	+61.36%
Gold, per oz. COMEX	\$1,907.40 2/23/2022	\$1,797.90	+6.09%
Silver, per oz. COMEX	\$24.36 2/23/2022	\$27.74	-12.18%
Copper, per lb. COMEX	\$4.52 2/23/2022	\$4.19	+7.88%
Zinc, per lb.	\$1.64 2/23/2022	\$1.27	+29.13%
Lead, per lb.	\$1.07 2/23/2022	\$0.94	+3.83%
Bankruptcies			
Business	50 Q4 2021	75	-33.33%
Personal	5 Q4 2021	7	-28.57%
Personal	45 Q4 2021	68	-33.82%
Unemployment insurance claims			
Initial filings	6,161 Jan 2022	19,715	-68.75%
Continued filings	40,445 Jan 2022	88,730	-54.42%
Claimant count	9,610 Jan 2022	21,733	-55.78%

*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; NASDAQ; Alaska Department of Revenue; and U.S. Courts, 9th Circuit



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[HIREVets.gov](https://hirevets.gov)



Jobs

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EMPLOYER RESOURCES

Free fidelity bonds help employers, ex-offenders

Fidelity bonding is a proven and effective job placement tool that helps concerned employers and at-risk job seekers.

The Alaska Fidelity Bonding Program offers no-cost, no-deductible bonds to employers who hire at-risk employees such as ex-offenders, people recovering from substance abuse, those with poor work or credit histories, and workers who are not otherwise bondable.

Bonds insure employers against any job-related theft, forgery, larceny, or embezzlement by an employee, on or off the work site. The opportunity to obtain a free fidelity bond allows the employer to focus on a worker's skills and productivity without taking on the added risk of worker dishonesty. It is the only program that bonds ex-offenders.

Nationwide, 99 percent of bonded at-risk workers have proven to be honest employees. Employers can bond any full- or part-time, permanent or temporary, new or returning employee who meets the state's legal age requirement to work. Under some

circumstances, no-cost bonds may also be available for employers wanting to promote or retain at-risk workers. The self-employed are not eligible.

Bonds may be issued without the need to sign forms. It takes just a few minutes for Alaska Job Center staff to take down information about the employer, employee, and hire date for the bond to take effect. The basic bond is \$5,000 and is effective for six months. Larger amounts and renewals are available in some circumstances, and the employer may also continue coverage directly with the underwriter if there were no claims in the first six months.

For more information about Alaska's Fidelity Bonding Program, visit labor.alaska.gov/bonding, contact the Alaska Job Center at jobs.alaska.gov/ offices, or contact the fidelity bonding coordinator at dol.fidelitybondingprogram@alaska.gov.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.