



ALASKA ECONOMIC
TRENDS
AUGUST 2022

Ups and downs
for air transport

ALSO INSIDE

Migrants to Alaska
aren't staying as long

Job openings rate
remains elevated

FROM THE COMMISSIONER

Rise to the occasion as opportunities for job seekers grow

By Dr. Tamika L. Ledbetter, Commissioner

Alaskans have a unique relationship with air and sea travel, the essential links between rural communities and urban population centers. While the pandemic put a damper on air passenger travel, the movement of cargo through the Ted Stevens Anchorage International Airport reached all-time highs last year.

Alaska's large transportation sector provides a range of job opportunities, from maritime to aviation. The Alaska Department of Labor and Workforce Development offers extensive training and employment services to help Alaskans chart a course toward a long list of good jobs in these industries. Deckhand, officer, engineer, pilot, ship steward, aircraft mechanic, air traffic controller, safety inspector, and customer service agent are just a few examples.

Job opportunities are increasing as Alaska's economy continues to rebound, and some employers are struggling to fill positions. It's clear that job seekers are looking for work with advancement potential, and they value recognition and development. Companies that find ways to reward people by promoting them are attracting and keeping quality employees.

According to McKinsey & Company, a noted



research firm on employment trends, the top three reasons employees remain in a job are: feeling valued by the organization, feeling valued by management, and having a sense of belonging.

As employers, are we building a sense of community in our workplaces, and are we encouraging employees toward career pathways and development opportunities? If you answered yes, you are leading the way in the current job market. If the answer is no, take this opportunity to assess your workplace and policies. Make it your goal to build a strong sense of belonging and shared dedication to your organization's mission.

The Alaska Department of Labor and Workforce Development provides much more than unemployment insurance. If you're looking for work, we can help you launch a new or better career. If you're an employer, we can partner with you to get your team the skills necessary to excel in this modern work environment. Connect with one of our employment representatives by calling (877) 723-2539.

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



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SARA WHITNEY
Editor

DAN ROBINSON
Chief, Research
and Analysis

Design by Sara Whitney

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Crater Lake as seen from an
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ALASKA
DEPARTMENT of LABOR
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DEVELOPMENT

Governor
Mike Dunleavy
Commissioner
Dr. Tamika L. Ledbetter

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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
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If you have questions or comments, contact the authors listed at the end of each article or the editor at sara.whitney@alaska.gov
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Air transportation's COVID years

Cargo, passenger industries followed different paths

By GUNNAR SCHULTZ

The pandemic's differing effects on the two air transportation categories, cargo and passenger travel, put them on diverging economic paths over the last two years.

Air cargo in Alaska was a pandemic outlier, reaching new heights in 2020 and 2021 as most industries spent 2021 struggling to regain ground lost the previous year.

Passenger travel, on the other hand, was a stark example of typical 2020 job losses, recovering partially in 2021 but struggling to draw back enough workers to meet the rebound in demand.

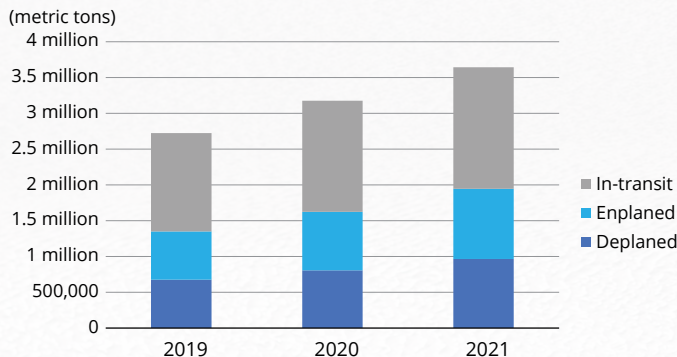
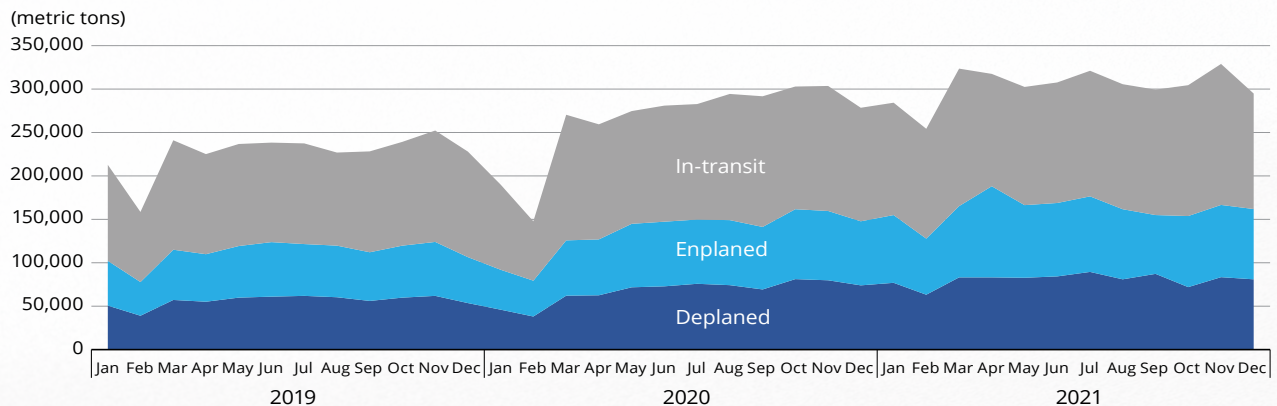
CARGO: Demand during COVID fueled two years of growth

Air cargo has now recorded two strong years of growth in workers, wages, and cargo volume. The pandemic fueled its expansion. Demand for e-commerce grew, vaccines and protective gear were flown around the globe, belly cargo space on passenger flights decreased with fewer scheduled, and Alaska air freight picked up the slack from supply chain bottlenecks at west coast ports.

Volume jump boosted Anchorage globally

Most of Alaska's air cargo industry is tied to Ted

Rise in total cargo volume at the Anchorage airport, 2019 to 2021



Source: Alaska International Airport System, Ted Stevens Anchorage International Airport (ANC) cargo levels

Workers, average wages in Alaska air transportation, 2019 to 2021

Air cargo		2019				2020				2021			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Air Freight	Workers	1,549	1,589	1,586	1,581	1,614	1,596	1,738	1,762	1,836	1,859	1,881	1,854
	Avg wage	\$17,044	\$17,779	\$18,953	\$20,696	\$17,419	\$19,469	\$19,828	\$22,867	\$20,339	\$18,539	\$19,350	\$25,440
Couriers/Exp Delivery Svcs	Workers	2,618	2,560	2,619	2,724	2,669	2,592	2,686	2,977	2,820	2,962	3,088	3,336
	Avg wage	\$28,451	\$28,182	\$34,039	\$32,687	\$31,268	\$40,161	\$35,668	\$36,630	\$31,621	\$32,841	\$30,741	\$32,716

Air travel		2019				2020				2021			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Scheduled Passenger	Workers	4,182	4,258	4,227	4,152	4,179	3,936	3,000	3,179	3,201	3,326	3,428	3,486
	Avg wage	\$15,899	\$13,090	\$15,897	\$14,222	\$17,523	\$11,175	\$14,758	\$16,681	\$15,585	\$13,953	\$15,567	\$15,968
Unscheduled (Charter)	Workers	770	1,328	1,423	1,066	767	846	927	835	768	1,108	1,232	1,069
	Avg wage	\$11,490	\$9,730	\$13,936	\$10,477	\$12,354	\$11,918	\$14,593	\$12,671	\$11,726	\$11,164	\$15,529	\$12,253

Note: Wages inflation-adjusted to 2021 dollars

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

Stevens Anchorage International Airport, whose location provides an ideal trade link between Asia and North America, making it a global cargo hub. Anchorage represents about three-quarters of the state's air freight workers and 90 percent of couriers.

In 2020, the Anchorage airport's cargo volume increased by over 16 percent, making Anchorage the fourth-busiest cargo airport in the world. Volume rose an additional 15 percent the following year and topped 3.6 million metric tons. Those two years of double-digit growth pushed Anchorage's total cargo volume 34 percent above 2019.

Two years of double-digit growth pushed Anchorage's cargo volume 34% above 2019.

Each year, about half of all cargo that reaches Anchorage is headed elsewhere, known as "in-transit cargo." In-transit air cargo grew significantly during the pandemic, but the amount of cargo enplaned and deplaned in Anchorage grew even more as a percentage.

Freight worker numbers, wages both grew

Like cargo volume, air freight workers and wages posted back-to-back years of growth, increasing even more in 2021 than 2020.

The number of workers in the industry statewide grew 18 percent between 2019 and 2021, and total adjusted wages rose 32 percent. The fact that total wages grew more than workers means workers began earning more on average.

Gains were asymmetrical for couriers

Courier companies such as FedEx and UPS account for a large share of air cargo activity in Alaska and their workers earn some of the highest wages in Alaska's transportation sector.

Courier worker counts rose about 16 percent from 2019 to 2021, which is 421 additional workers. Their total wages grew 20 percent.

Unlike air freight, the courier industry grew asymmetrically across the last two years: a 4 percent

increase in average quarterly workers in 2020 and 12 percent in 2021.

Inflation-adjusted total wages followed the opposite pattern, rising 21 percent in 2020 and then decreasing slightly in 2021 as inflation outpaced nominal wage gains.

Similar to air freight, many workers in the courier industry earned more than usual during the pandemic. Wages increased faster than the worker count in 2020, as there was more work to go around, and then hiring picked up even more in 2021 to meet growing demand.

Growth predated COVID, but rising costs are an obstacle

Air cargo's performance during the pandemic set a high bar, and how it fares this year will largely

depend on global activity and the “stickiness” of pandemic behavior — that is, the extent to which people and businesses return to their pre-pandemic patterns.

The industry also faces rapidly changing economic conditions as the pandemic wanes. While air cargo industries appear to have bucked the overall worker shortage trend, increased costs and tighter household budgets may remain obstacles.

Optimistic signs include continued expansion at the Anchorage airport, sustained growth throughout 2021, and the fact that air cargo activity and e-commerce demand had both been increasing for years before the pandemic.

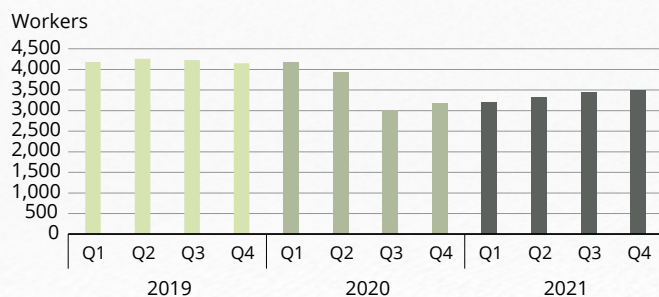
TRAVEL: Workers, passengers rebound partially after big losses

Air travel in Alaska partially recovered in 2021 after suffering historic declines in passengers and workers during the first year of the pandemic. While neither recovered to pre-pandemic levels last year, passenger numbers rebounded more than workers.

A near-cessation of travel came early in 2020, with passenger numbers bottoming out in April. At that point, enplanements in the state were down almost 90 percent from 2019. That same month, Alaska Air Group announced it would receive nearly \$1 billion in COVID relief, and Ravn Air Group, another major provider, filed for Chapter 11 bankruptcy.

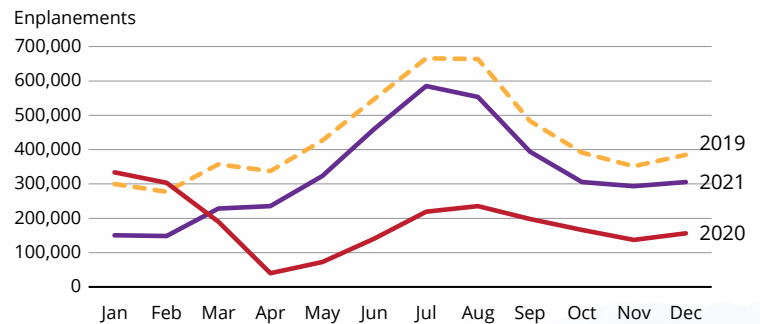
Overall, 58 percent fewer travelers enplaned in

Loss, slow recovery for Alaska scheduled air travel, 2019-2021



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

Number of passengers boarding in Alaska fell in 2020, recovered partially



Source: Bureau of Transportation Statistics, T-100 Market Data

Alaska in 2020 than in 2019 — a loss of nearly 3 million passengers.

Monthly air travel resumed its usual seasonal pattern last year but didn't reach pre-pandemic levels. While vaccines and fewer restrictions boosted travel in 2021, enplanements remained 23 percent below 2019.

Demand outpaced available workers in 2021

Passengers made a strong return in 2021, but workers had become harder to find.

The number of quarterly workers in scheduled air travel, which accounts for most airline passengers and industry workers in Alaska, topped 4,200 in 2019 before COVID and showed little seasonality. Worker counts only varied by about 2.5 percent between summer and winter.

In 2020, the worker count plummeted and bottomed out in the third quarter at 3,000, a loss of 29 percent from the third quarter of 2019. (See the chart at left.)

From that trough, the industry added workers every quarter through the end of 2021 but remained below 2019 levels, ultimately recovering less than half of the workers it lost. At the year's end, the worker count remained 16 percent below its pre-pandemic level.

None of the largest airline occupations had recovered their worker numbers by the end of 2021: pilots, flight attendants, aircraft mechanics, cargo and freight agents, and ticket agents.

Recovery has varied by region as well. Areas with air travel industries hit hardest by the pandemic

have been slowest to recover. In the most extreme case, the Southwest Region lost almost 80 percent of its air travel workers from the 2019 peak to the 2020 low (a loss of about 300). From the third quarter low in 2020 through the end of 2021, the region recovered just 11 percent of the workers it lost, remaining 68 percent below pre-pandemic levels.

Other areas recovering slowly or staying stagnant through 2021 include the Fairbanks North Star Borough, the Matanuska-Susitna Borough, and the Northern Region.

Where pre-COVID airline workers ended up by the end of 2021

While worker numbers for 2022 aren't yet available, wage data and Permanent Fund Dividend application data give Alaska the unique ability to look at who fell out of the workforce during the pandemic. Their characteristics shed some light on potential recovery and the future worker pool.

Among those working in the air travel industry the year before COVID hit, the largest group — about three in five — continued working. They either worked continuously during the pandemic or left air travel for at least a quarter but returned by the third quarter of 2021.

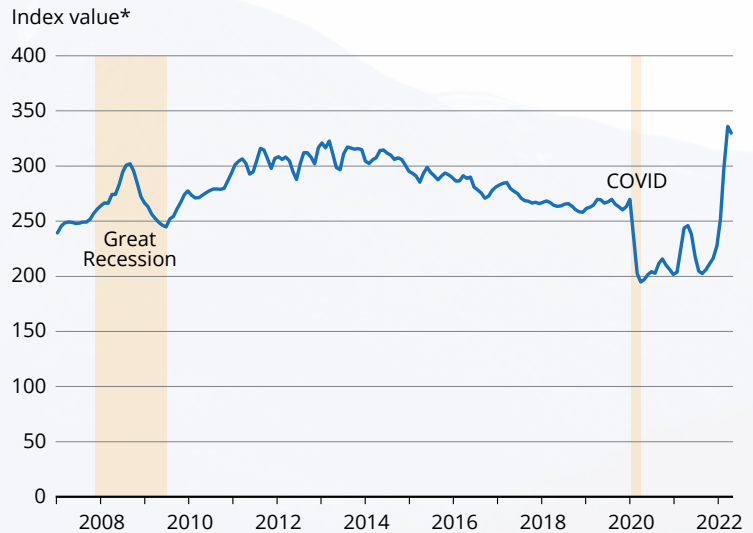
The two in five who left air travel were split roughly between those who changed industries and those who never returned to work in Alaska.

Many of the workers who switched industries moved to related jobs in transportation and warehousing. The rest spread throughout the economy, often landing in other large Alaska industries such as health care and retail.

The remaining group was still missing from the Alaska workforce in late 2021 — they either remained here without working or left the state, something these data cannot determine.

The characteristics of the missing workers differed from those who typically leave the industry each year. People 60 and older — retirement age — were much more likely to leave air travel during the pandemic than before and to remain out, and women

Average U.S. airfares skyrocket in 2022



*The index represents how much prices have risen since the base year, 1985, which is set at 100.
Source: U.S. Bureau of Labor Statistics, national Consumer Price Index for All Urban Consumers

were also a slightly larger share of leavers than usual. Those shifts track with our earlier study on missing workers across all industries. (See the April 2022 issue of *Trends*.)

Average U.S. airfares hit a new high in May. Prices remained high in June but moderated slightly.

Workers ages 20 to 29 and non-residents were slightly *less* likely than usual to leave air travel and remain out of the Alaska workforce.

Charters also haven't regained 2019 levels

The charter flight industry in Alaska is small and highly seasonal, and it's separate from the previous air travel numbers but worth mentioning here. Air taxis are one example of charters.

In 2020 during what would typically be the seasonal peak for charters, or nonscheduled air travel, the number of charter flight workers in Alaska was down 35 percent from the year before (a loss of about 500 workers).

Like scheduled air travel, the charter industry's typical seasonal patterns resumed in 2021 but the average worker count remained 9 percent below 2019 — with a couple of exceptions. The number

Continued on page 13

Movers aren't staying as long

Length of stay down among all age groups since 1990

By DAVID HOWELL

Migration has shaped Alaska, and the numbers have fluctuated considerably over the years. Changes were drastic early on, driven by military buildups for World War II and the Korean War and then by oil-related booms and busts in the decades that followed. Migration calmed around 1990, netting the state about 300 new residents each year on average.¹ The trend flipped after 2010, and we've averaged a net migration loss of 4,500 people per year since.

Alaska Permanent Fund Dividend applications give Alaska the unique ability to analyze in-migrants in detail

¹Net migration is the number of people who move to Alaska in a year minus the number who leave. The rest of this article deals solely with the numbers arriving.

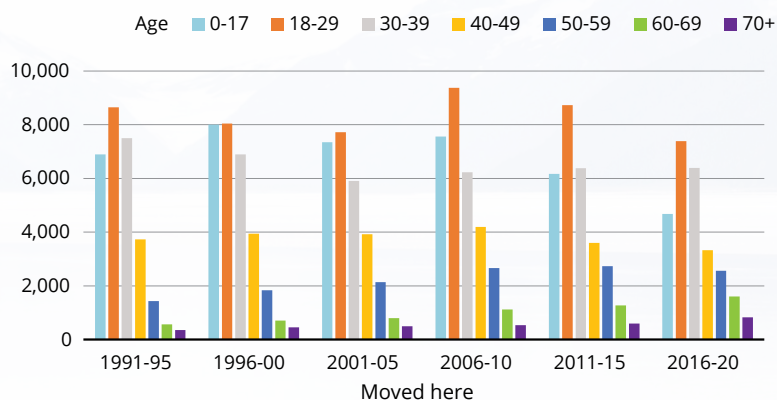
About the data

Alaska Permanent Fund Dividend application data allow a timely look at migration patterns that other states don't have, but with a few limitations that result in an undercount.

Because PFD eligibility requires a full calendar year of living in Alaska, some people move to the state and leave before ever filing. Active duty military personnel also apply for PFDs less often than most of the population because they must claim Alaska residency to file. Although these data underestimate migration as a result, they are useful for gauging broad migration trends.

Because this article's data come solely from PFD applications, the numbers will not necessarily match our other data sets.

Numbers of movers by age, arrival date



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

over the decades to see what changed. (See the sidebar on this page.) For this analysis, we broke applicants into six groups based on the year they moved to Alaska to compare their demographics and how long they stayed: 1991-1995, 1996-2000, 2001-2005, 2006-2010, 2011-2015, and 2016-2020.

While some characteristics remained consistent — we still gain more movers in their 20s and 30s than any other age group, for example — the length of time people stay decreased over the last few decades in all age groups, regions, and major industries.

The yearly inflow declined

Steady streams of people moved to Alaska throughout the 1990s, averaging 29,100 a year in the early '90s and 29,900 late in the decade. That fell in the early 2000s to 28,300, then jumped to 31,700 between 2006 and 2010 as the Lower 48 weathered the Great Recession while high oil prices kept Alaska's economy afloat.

The numbers of people moving to Alaska in the

early 2010s resembled the '90s but took a downward turn late in the decade to just 26,800 annually.

The steep migration decline is more nuanced than it might appear. Birth rates in the Lower 48 have been falling since the mid-2000s, resulting in fewer children moving to Alaska with their parents.

The number of in-movers under 18 dropped dramatically in the most recent five-year period, falling below 5,000 per year for the first time in the study period (to 4,700). The total number of adults moving in dipped just below the 30-year average, to 22,100.

Slight changes in demographics

While the numbers of migrants have changed over time, the demographics have remained similar — that is, most movers are young adults, often men in their early 20s to mid-30s. Between 53 and 55 percent of adults who move to Alaska are men.

Women tend to stay in the state longer, however. The differences in the length of stay between men and women are minor, but the gap has grown over time. (See the table above.)

Lower 48 trends also influence the demographics of Alaska's migrants. As mentioned earlier, the number of children has dropped with declining birth rates in the rest of the country. Similarly, the large baby boom generation born between 1946 and 1964 means more migrants are older. That's not to say older groups are moving more than they used to — there are just more older people in general.

In-migrants not staying as long

Because movers tend to be young, it isn't surprising that Alaska's population turnover has always been high. People in their 20s and 30s are more mobile

Migrants of all ages stay for shorter periods

Stayed less than 5 years

Arrived	18-29	30-39	40-49	50-59	60-69	70+	Female	Male	Total
1991-1995	35.1%	28.7%	26.5%	27.0%	26.9%	37.1%	30.6%	31.0%	30.8%
1996-2000	34.4%	27.1%	25.1%	26.3%	26.4%	35.4%	29.5%	29.4%	29.5%
2001-2005	35.3%	28.9%	26.1%	27.6%	27.1%	37.2%	30.0%	31.4%	30.7%
2006-2010	38.5%	31.8%	29.1%	29.2%	29.7%	36.8%	32.4%	34.7%	33.6%
2011-2015	43.2%	38.6%	35.4%	35.4%	35.1%	41.2%	36.9%	41.4%	39.3%

Stayed 5 years or more

Arrived	18-29	30-39	40-49	50-59	60-69	70+	Female	Male	Total
1991-1995	64.9%	71.3%	73.5%	73.0%	73.1%	62.9%	69.4%	69.0%	69.2%
1996-2000	65.6%	72.9%	74.9%	73.7%	73.6%	64.6%	70.5%	70.6%	70.5%
2001-2005	64.7%	71.1%	73.9%	72.4%	72.9%	62.8%	70.0%	68.6%	69.3%
2006-2010	61.5%	68.2%	70.9%	70.8%	70.3%	63.2%	67.6%	65.3%	66.4%
2011-2015	56.8%	61.4%	64.6%	64.6%	64.9%	58.8%	63.1%	58.6%	60.7%

Stayed 10 years or more

Arrived	18-29	30-39	40-49	50-59	60-69	70+	Female	Male	Total
1991-1995	45.5%	52.1%	55.4%	50.9%	52.8%	33.0%	49.7%	49.8%	49.7%
1996-2000	45.3%	50.5%	56.3%	52.3%	50.5%	31.4%	49.3%	49.4%	49.4%
2001-2005	43.7%	48.1%	53.6%	50.8%	48.2%	32.3%	48.1%	46.9%	47.4%
2006-2010	36.7%	40.8%	46.2%	44.2%	44.5%	29.9%	42.1%	39.1%	40.4%

Stayed 15 years or more

Arrived	18-29	30-39	40-49	50-59	60-69	70+	Female	Male	Total
1991-1995	36.6%	42.3%	43.3%	35.9%	34.8%	14.8%	39.3%	39.1%	39.2%
1996-2000	35.2%	40.3%	43.6%	37.0%	35.7%	15.0%	38.4%	37.8%	38.1%
2001-2005	31.1%	35.2%	38.0%	33.2%	31.0%	13.3%	34.7%	32.2%	33.3%

Notes: These data cannot account for deaths. Length-of-stay numbers exclude in-movers under 18 because they accompany their parents rather than moving by choice.

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

than in later years when they have more responsibilities, such as families and careers.

Most of Alaska's in-migrants spend at least five years in the state, but half stay fewer than 10 years, and under 40 percent make it to 15 years. These percentages declined after 2005.

From 1991 to 2005, around 70 percent stayed five or more years. That dropped to 61 percent among those who moved here between 2011 and 2015. The trend appears to be continuing — 31 percent of the people who moved to Alaska after 2015 have already left.

The group staying at least 10 years showed the biggest change. In the 1990s, about 50 percent of in-movers stayed 10 years or longer, which dropped to 40 percent for the 2006-2010 arrivals.

A comparatively steady percentage of migrants

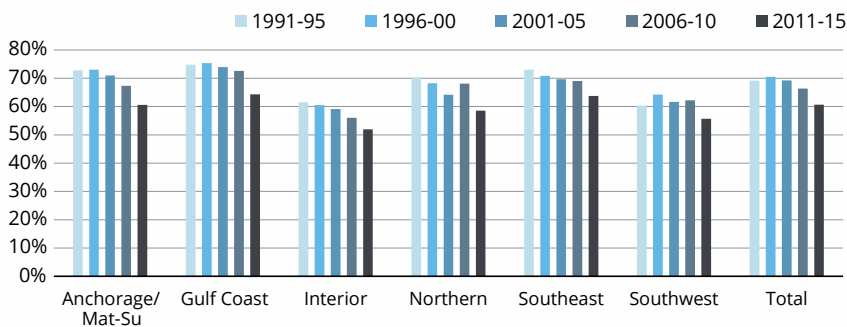
continued to put down roots in Alaska, though. The group staying 15 years or longer shrunk the least over the last few decades.

Biggest drop among movers in their 30s

The youngest migrants were the most likely to leave Alaska quickly in every period we examined. Before 2005, 65 percent of 18-to-29-year-olds stayed at least five years. Among those who arrived between 2011 and 2015, 57 percent did.

While that was a big decline, stays for most of the other age groups shortened even more. The most dramatic example is 30-to-39-year-olds who stayed

Movers to a region who stayed 5-plus years



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

in Alaska for 10-plus years. In the 1990s, 52 percent of movers in their 30s stayed at least 10 years but in recent years, that fell to 41 percent.

Similarly, over 55 percent of migrants in their 40s who moved here in the 1990s stayed at least a decade. For those who entered Alaska about 10 years ago, it declined to 46 percent.

People 70 and older come and go more because of their circumstances than the broader economic forces that drive younger groups, and their percentages haven't changed as much.

People who move here later in life are usually retiring to Alaska. Lengths of stay are fuzzy for people 70 and older, as the data can't distinguish between those who die in Alaska and those who leave the state for health reasons.

How long movers stayed, by industry

Industry	Arrived in Alaska			
	2001-2005	2006-2010	2011-2015	15-yr avg
All in-migrants	69.3%	66.4%	60.7%	65.3%
All workers	73.9%	71.2%	64.9%	69.9%
Agriculture, Forestry, Fishing and Hunting	64.3%	65.5%	62.8%	64.1%
Manufacturing	66.9%	68.8%	60.0%	70.6%
Accommodation and Food Services	67.1%	64.9%	59.0%	63.4%
Retail Trade	68.0%	64.7%	59.4%	65.2%
Arts, Entertainment, and Recreation	69.4%	65.9%	61.3%	65.4%
Retail Trade	69.5%	66.6%	60.1%	63.9%
Real Estate and Rental and Leasing	70.1%	73.0%	64.9%	69.4%
Information	71.2%	69.6%	63.9%	68.3%
Other Services (except Public Admin)	72.3%	72.0%	66.6%	70.3%
Manufacturing	72.7%	70.7%	68.4%	64.9%
Admin, Support, Waste Mgmt/Remediation	73.1%	69.1%	64.3%	68.7%
Finance and Insurance	73.4%	69.9%	68.0%	70.5%
Educational Services	74.0%	71.9%	67.7%	71.3%
Transportation and Warehousing	74.7%	70.4%	65.6%	70.2%
Wholesale Trade	74.8%	74.3%	68.0%	72.4%
Health Care and Social Assistance	75.9%	74.4%	68.8%	72.9%
Transportation and Warehousing	76.0%	73.5%	68.5%	72.7%
Professional, Scientific, and Technical Svcs	76.4%	72.4%	63.6%	70.7%
Manufacturing	76.6%	71.7%	64.1%	70.4%
Mining, Quarrying, and Oil/Gas Extraction	77.8%	71.7%	60.5%	69.8%
Construction	80.9%	74.3%	64.8%	73.0%
Management of Companies and Enterprises	82.4%	89.8%	70.8%	81.2%
Public Administration	82.5%	81.0%	74.7%	79.3%
Utilities	83.3%	78.1%	79.0%	80.0%

Notes: The industry specified is where a worker earned the highest wages. Includes only workers 18 and older. Wages are inflation-adjusted to 2021 dollars. Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

The longest stays are in the Gulf Coast

People were more likely to stay in some regions than others, and those differences remained surprisingly consistent over the last 30 years. However, migrants' stays shortened in all parts of the state.

Over 70 percent of people who moved to the Gulf Coast Region between 1991 and 2010 stayed at least five years, which dipped to 64 percent thereafter. Movers to that region are often retiring to the Kenai Peninsula.

The Anchorage/Matanuska-Susitna Region's pattern looked similar, although the share staying five-plus years dropped below 70 percent a bit earlier than the Gulf Coast (2006-2010).

The Interior Region's population turnover is higher because of its large military and student populations. During the 1990s and 2000s, about 60 percent stayed in the Interior at least five years. That fell to 52 percent for those entering between 2010 and 2014.

The Southwest's percentage swung from period to period but typically fell between the Interior and the Gulf Coast.

The Northern Region ranged from 64 to 70 percent for most of the periods but dropped to 59 percent for migrants who arrived between 2011 and 2015.

Southeast's pattern was similar to the Gulf Coast's. In the earlier periods, around 70 percent of the people who moved to Southeast stayed at least five years. That percentage fell in recent years but remained higher than elsewhere in Alaska.

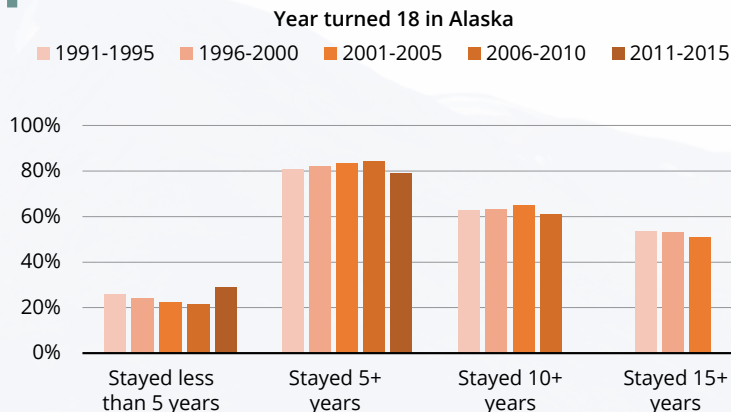
All industries see shorter stays

Working migrants tend to stay in Alaska a little longer, but similar to migrants overall, the percentage who stayed here for at least five years decreased.

The typical stay varies by the type of work movers do. Industries that hire younger people had the lowest percentages stay at least five years. These included agriculture and fishing, food services, manufacturing (mostly seafood processing in Alaska), and retail. Migrants in industries that require specialized or experienced workers tend to stay longer; utilities and management are examples. (See the table on the previous page.)

Since the 2000s, all industries have seen a decline in the percentage who stay more than five years. The decreases were largest for oil and gas and the

How long Alaskan 18-year-olds stay



Note: Includes children who were born in Alaska as well as those who moved to Alaska before turning 18.

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

construction industry. These track with job loss trends in those industries in recent years.

Raised here vs. moved in later

PFD applicants who turned 18 in the state, whether they were born here or moved to Alaska as children, were much more likely to stay than those who came as adults. During all but the most recent period, 80 percent of Alaskans who turned 18 stayed five years or longer, and over all the study periods, over 50 percent stayed at least 15 years.

Those who attended college outside the state or joined the military but retained their Alaska residency were included with those who stayed.

The gap between those who came of age in Alaska and those who moved in later increased with time as the movers stayed for shorter periods. Stays for people who turned 18 here also shortened, but not nearly as much as for adult movers.

David Howell is the state demographer. Reach him in Juneau at (907) 465-6029 or david.howell@alaska.gov.

Job openings near all-time high

Employer struggles to fill open positions continue in 2022

By DAN ROBINSON

In May, Alaska's job openings rate hit 11.2 percent, its third-highest month on record. While that was well above the U.S. rate of 6.9 percent, both remain noticeably elevated from pre-pandemic levels as employers continue to struggle with filling positions.

The job openings rates jumped in 2021, as the chart below shows. But what's harder to see, especially with the seasonal swings, is that rates were climbing before COVID hit — more in Alaska than the U.S. (See the sidebar on the next page for more on job openings.)

Alaska's rate fell to a low of 4.7 percent in late 2020 but has been on the rise since, peaking at 11.4 percent late last summer. Openings have remained high in 2022, with May's rate just below last summer's peak.

Retirees and migration losses are the main factors for Alaska

Demographics are part of the reason more jobs are vacant. Growing numbers of baby boomers, the large generation born between 1946 and 1964, have been

Openings were on the rise even before COVID hit, especially in Alaska.

retiring as fewer people are aging into the working years to replace them.

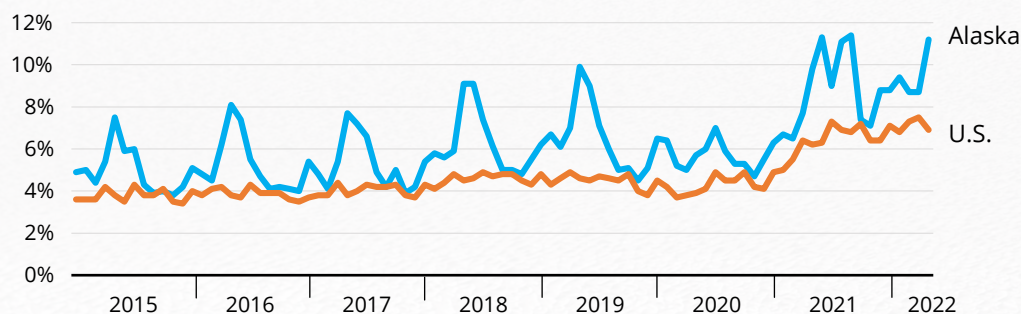
Nine consecutive years of net migration losses have been an added obstacle for Alaska, meaning more people leave the state each year than move in.

From 2012 to 2021, 53,000 more people left Alaska than arrived. Over that same period, the job openings rate of 2 to 3 percent in the winter of 2012 roughly doubled by winter 2019. Summer rates peaked at just below 5 percent in 2012 and 9.9 percent in May 2019, which was well before the pandemic.

More questions than answers as employers continue to adapt

High numbers of job openings create a challenging

Job opening rates rose in 2021 and remain elevated



Source: U.S. Bureau of Labor Statistics, Job Openings and Labor Turnover Survey

environment for employers and numerous opportunities for job seekers. Employers may gradually adapt to the applicant-friendly market by figuring out new recruitment methods and ways to retain workers. But some employers, especially in lower-wage industries such as tourism and retail, have adapted by making do with a smaller staff and reducing services or operating hours.

For now, the trend in job openings continues to be upward for Alaska and probably for the U.S. as well. Something will give eventually, but it's hard to say whether employers will find new ways to fill so many openings or stop trying to fill all of them and operate with fewer workers.

Concerns about a recession create another possible and unusual scenario. Employers may be slower to lay off workers during a recession because they've had such difficulty hiring them. It's relatively simple to stop trying to fill open positions, though, which is another reason to keep an eye on these numbers.

Dan Robinson is chief of the Research and Analysis Section. Reach him in Juneau at (907) 465-6040 or dan.robinson@alaska.gov.

About the job openings data

The job openings rate is the number of open positions on the last business day of the month as a percentage of total employment plus job openings.

For an opening to count, an employer must be actively recruiting workers from outside the establishment for a position that has work available and that could start within 30 days.

For more on openings and worker shortages, see the first article we published on the new state-level data from the U.S. Bureau of Labor Statistics' Job Openings and Labor Turnover Survey in December 2021 ([Alaska's job openings rise in 2021](#)) and our study earlier this year on people who left the workforce during the pandemic and hadn't returned ([COVID and the missing workers](#)).

AIR TRANSPORT'S TWO COVID YEARS

Continued from page 7

of charter flight workers in Anchorage and the Southwest Region increased by over 25 percent in 2021 compared to 2019.

Worker shortages, high fares persist

Air travel is particularly susceptible to a health shock like COVID-19 because it relies on in-person consumers and a workforce primarily dedicated to customer service.

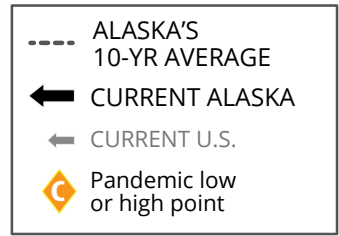
As the pandemic winds down, the industry will continue to compete with many others to attract workers. In addition to a diminished labor force, the air travel industry faces rising costs and pent-up demand after two pandemic years. The price of jet fuel rose sharply over the first half of 2022, peaking in June.

All of these factors pushed airfare prices higher, too. Average U.S. airfares jumped in 2022, peaking in May, as the graph on page 7 shows. Airfares remained high in June but moderated slightly.

At the same time, worker shortages amid the growing demand for air travel contributed to high flight cancellation rates. According to the Bureau of Transportation Statistics, the number of canceled flights in Anchorage, Fairbanks, and Juneau during the first five months of 2022 was at least double the number of cancellations over that period last year.

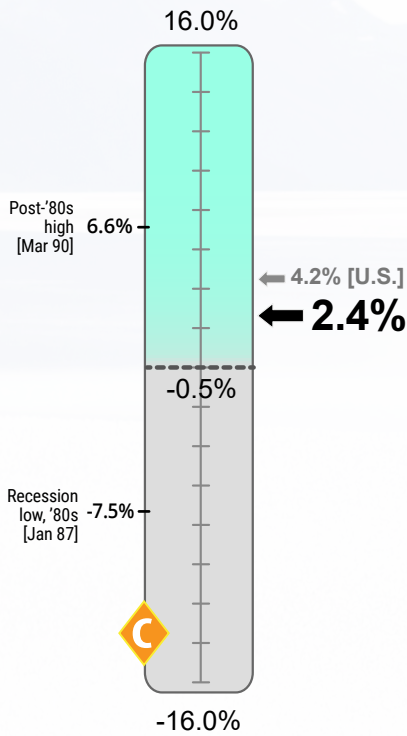
Gunnar Schultz is an economist in Juneau. Reach him at (907) 465-6038 or gunnar.schultz@alaska.gov.

Gauging The Economy



Job Growth

June 2022
Over-the-year percent change

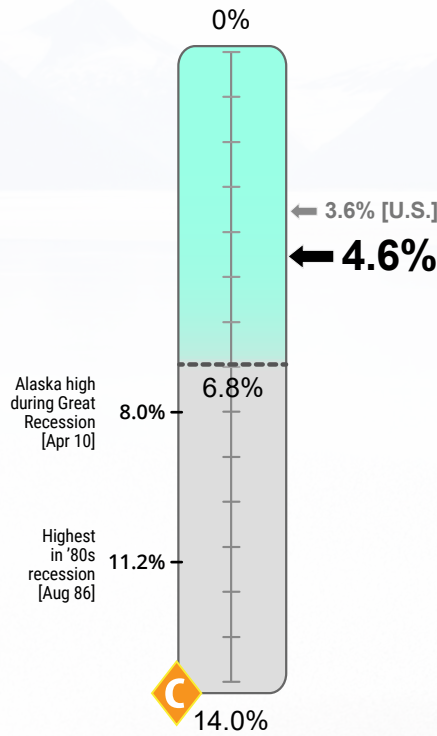


The spread of COVID-19 caused rapid job loss in early 2020. Although employment is up significantly from 2020, it is still 5.8 percent below June 2019.

U.S. employment, which was up 4.2 percent from June 2021, is now just above its 2019 level.

Unemployment Rate

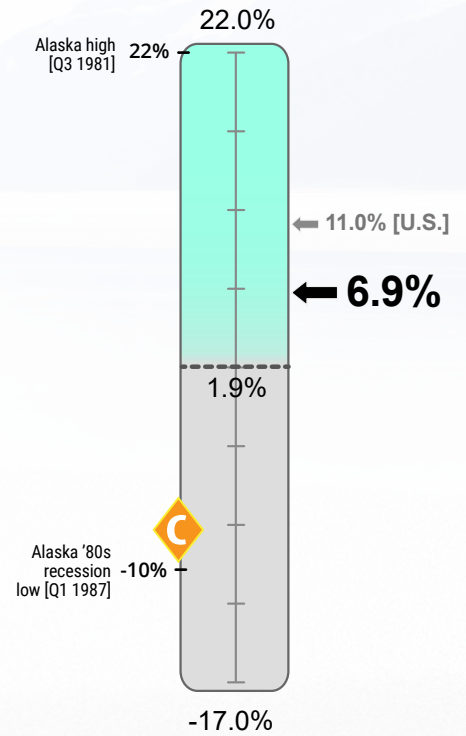
June 2022
Seasonally adjusted



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

4th 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.

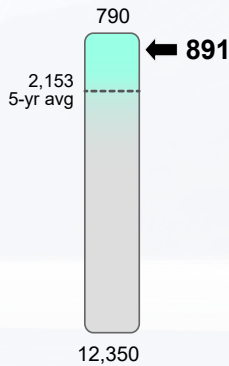
Wages were up 6.9 percent from year-ago levels in the fourth quarter of 2021 and 10.4 percent above fourth quarter 2019.

Gauging The Economy

----- ALASKA'S 10-YR AVERAGE
 ← CURRENT ALASKA

Initial Claims

Unemployment, week ending July 9, 2022*

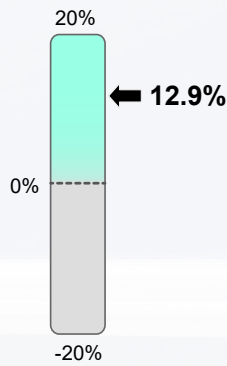


Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads have fallen, and new claims for benefits are back below their long-term average.

*Four-week moving average ending with specified week

GDP Growth

1st Quarter 2022 Over-the-year percent change*

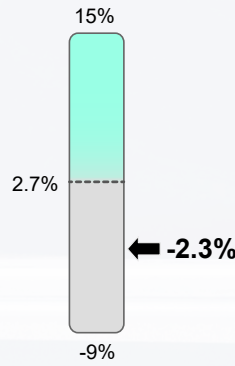


Gross domestic product is the value of the goods and services a state produces. Alaska's GDP fell hard in early 2020 but recovered most of those losses in 2021.

*In current dollars

Personal Income Growth

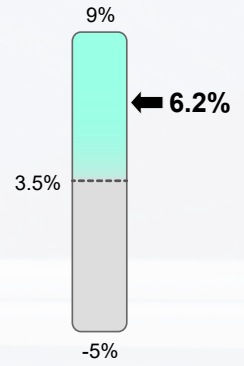
1st Quarter 2022 Over-the-year percent change



Although wages and other types of employment income were up, a bigger decline in transfer receipts (government payments) pulled personal income into negative territory.

Change in Home Prices

Single-family, percent change from prior year, Q1 2022*

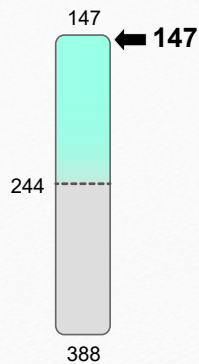


Home prices shown include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

*Four-quarter moving average ending with specified quarter

Foreclosures

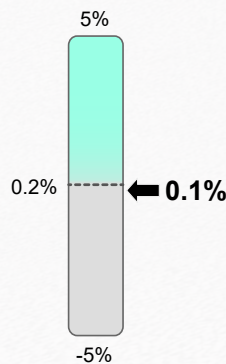
1st Quarter 2020



Foreclosure moratoriums have kept these numbers low during the pandemic.

Population Growth

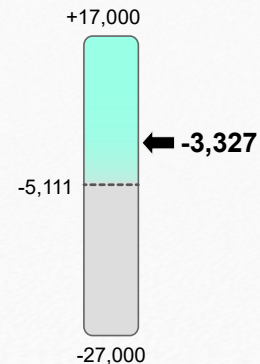
2020 to 2021



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

Net Migration

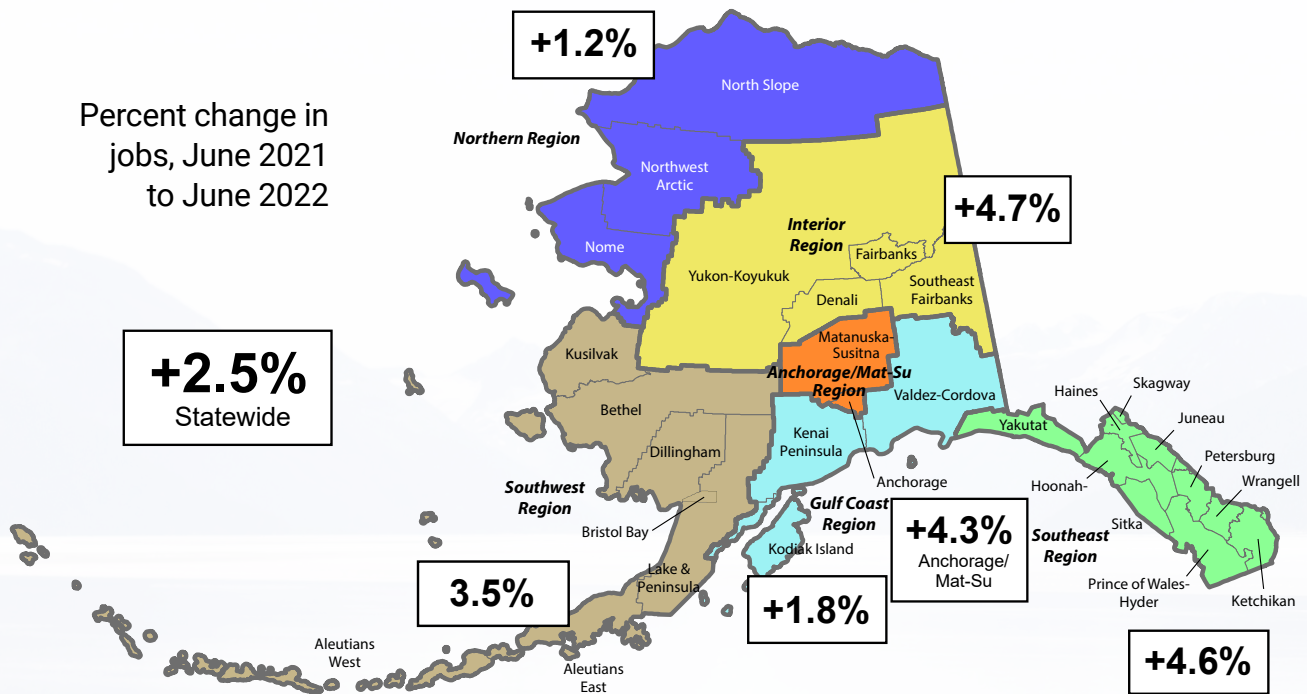
2020 to 2021



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, June 2021 to June 2022



Unemployment Rates

Seasonally adjusted

	Prelim.		Revised	
	6/22	5/22	6/21	5/21
United States	3.6	3.6	5.9	5.9
Alaska	4.6	4.6	6.8	6.8

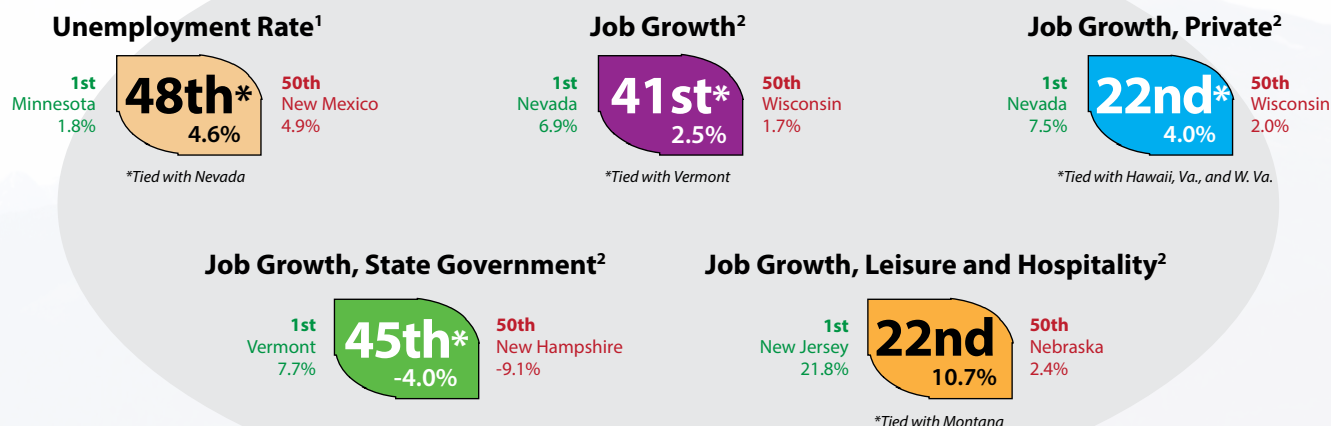
Not seasonally adjusted

	Prelim.		Revised	
	6/22	5/22	6/21	5/21
United States	3.8	3.4	6.1	6.1
Alaska	4.7	4.5	7.1	7.1

Regional, not seasonally adjusted

	Prelim.			Revised				Prelim.			Revised			
	6/22	5/22	6/21	6/22	5/22	6/21		6/22	5/22	6/21	6/22	5/22	6/21	
Interior Region	4.3	4.3	5.9				Southwest Region	8.6	8.8	11.4	Southeast Region	4.1	3.8	6.6
Denali Borough	5.4	7.1	6.5	Aleutians East Borough	1.7	2.2	1.9	Haines Borough	7.1	6.9	10.2			
Fairbanks N Star Borough	4.0	3.9	5.5	Aleutians West Census Area	3.8	5.0	4.3	Hoonah-Angoon Census Area	5.4	5.3	9.5			
Southeast Fairbanks Census Area	5.4	5.3	6.9	Bethel Census Area	11.9	11.5	15.4	Juneau, City and Borough	3.2	2.9	5.3			
Yukon-Koyukuk Census Area	9.0	9.4	12.1	Bristol Bay Borough	2.6	3.5	4.0	Ketchikan Gateway Borough	4.7	4.5	8.4			
Northern Region	9.1	8.3	11.2	Dillingham Census Area	6.8	6.9	9.5	Petersburg Borough	5.3	5.3	6.6			
Nome Census Area	9.5	8.7	12.1	Kusilvak Census Area	18.4	15.9	24.7	Prince of Wales-Hyder Census Area	6.0	5.7	8.6			
North Slope Borough	6.2	5.7	7.4	Lake and Peninsula Borough	6.7	6.8	9.6	Sitka, City and Borough	3.2	2.9	4.7			
Northwest Arctic Borough	11.6	10.4	13.7	Gulf Coast Region	5.0	4.9	7.0	Skagway, Municipality	6.4	6.4	12.7			
Anchorage/Mat-Su Region	4.2	4.0	6.8	Kenai Peninsula Borough	5.1	4.9	7.2	Wrangell, City and Borough	5.5	5.0	7.8			
Anchorage, Municipality	3.9	3.7	6.6	Kodiak Island Borough	4.4	4.5	6.5	Yakutat, City and Borough	4.6	4.2	6.8			
Mat-Su Borough	5.3	5.0	7.6	Chugach Census Area	3.6	3.9	5.6							
				Copper River Census Area	8.6	9.8	7.9							

How Alaska Ranks



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

¹June seasonally adjusted unemployment rates

²June 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	\$120.27	June 2022	\$73.18	+64.35%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$7.60	June 2022	\$3.27	+132.42%
Gold, per oz. COMEX	\$1,745.30	7/22/2022	\$1,816.40	-3.65%
Silver, per oz. COMEX	\$18.62	7/22/2022	\$25.00	-25.52%
Copper, per lb. COMEX	\$3.33	7/20/2022	\$4.26	-22.00%
Zinc, per lb.	\$1.38	7/24/2022	\$1.34	-2.99%
Lead, per lb.	\$0.91	7/24/2022	\$1.08	-15.74%
Bankruptcies				
Business	29	Q1 2022	63	-53.97%
Personal	0	Q1 2022	5	-100%
Personal	29	Q1 2022	58	-50.00%
Unemployment insurance claims				
Initial filings	3,211	June 2022	7,662	-58.09%
Continued filings	16,453	June 2022	39,377	-58.22%
Claimant count	4,010	June 2022	9,849	-59.29%

*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

EMPLOYER RESOURCES

Labor resources for agriculture/aquaculture employers

The Department of Labor and Workforce Development recognizes agriculture's essential role in the sustainability and growth of commodities throughout Alaska. Our local farmers, producers, and growers enhance the state economy, provide Alaskans with fresh foods, and maintain marketplace competition.

Alaska has more than 1,000 farms, primarily in the Matanuska-Susitna Borough. Alaska agriculture includes raising livestock, working in nurseries, tree farming, and growing crops such as hay, potatoes, and barley. Alaska aquaculture covers aquatic plants (kelp and seaweed) and shellfish (oysters, mussels, clams, and scallops).

Agriculture and aquaculture are expanding in Alaska with new technologies and methods for growing and producing food in harsh environments, but much of the work is seasonal. Alaska Job Center staff can help agricultural employers fill seasonal positions by finding and referring qualified Alaskans. Staff can also help Alaska employers with a critical need

for workers participate in the U.S. Department of Labor's H-2A and H-2B programs.

Employers can call (877) 724-2539 to be routed to their nearest job center or visit the Business Connection website at jobs.alaska.gov/employer to find information on recruiting, labor laws, and hiring incentives such as tax credits and bonding.

Agricultural employers often must provide housing to their workers and ensure living conditions are habitable and safe. Employers can contact Alaska's Foreign Labor Certification coordinator at dol.flc@alaska.gov. The FLC coordinator ensures farmworkers live in employer-provided housing that meets standards set by the USDOL's Occupational Safety and Health Administration and Employment and Training Administration.

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