

An aerial photograph of a city, likely Anchorage, Alaska, showing a dense urban area with a grid of streets, residential neighborhoods, and commercial districts. A river flows through the city, and there are several green spaces and parks. The overall scene is a mix of urban development and natural landscape.

ALASKA ECONOMIC **TRENDS**

SEPTEMBER 2022

Vacancy down and
rent up in most areas

ALSO INSIDE

POPULATION: The outlook through 2050 and how our migration compares to other states

FROM THE COMMISSIONER

Stepping up workforce development efforts in September

By Dr. Tamika L. Ledbetter, Commissioner

September is Workforce Development Month. Designated by the U.S. Senate in September of 2021, the special status focuses resources on education, training, and career advancement. Federal and state laws support employment, training, and support services for people with barriers to employment, but 42 percent of workers in the United States have not tapped into available postsecondary training.

The Workforce Innovation and Opportunity Act, or WIOA, provides resources for the 2,400 American job centers, 14 of which are in Alaska. And in 2019 alone, the Wagner-Peyser Act ensured that 3.4 million workers, including more than 212,000 veterans, could access career services through the job center network.



My team at the Alaska Department of Labor and Workforce Development is focusing on new ways to connect Alaskans with training and jobs. In August, I joined University of Alaska President Pat Pitney and Yamaha Motor Corporation President Ben Speciale in penning an agreement to expand maritime training opportunities.

We are also working with UA and Alaska's regional training providers to help people obtain commercial driver's licenses — one of the highest-demand career needs projected to result from the federal Infrastructure and Jobs Act.



Commissioner Ledbetter and former Gov. Sean Parnell at the Alaska Broadband Summit and Workshop

Mining is another growing industry. A recent visit to the Kinross Manh Choh project near Tok highlighted the need for up to 400 workers once production begins. The Delta Mine Training Center is gearing up to provide training, and my department is an active partner.

I also had the opportunity to participate in a panel of workforce development experts at the Alaska Broadband Summit and Workshop sponsored by U.S. Sen. Dan Sullivan. Alaska has 3,400 telecommunications jobs that represent \$298 million in wages. Our Research and Analysis team ranked telecommunications equipment operators among Alaska's top jobs over this decade.

Career and technical training is key to unlocking these and other employment opportunities. Contact your local job center to find out more, at (877) 724-2539 or www.jobs.state.ak.us.

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



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ON THIS SPREAD: The background image for 2022 is a sparkly Alaska shoreline, taken by
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Higher rents, fewer vacancies

Anchorage's historic rent increase drove survey total

By GUNNAR SCHULTZ

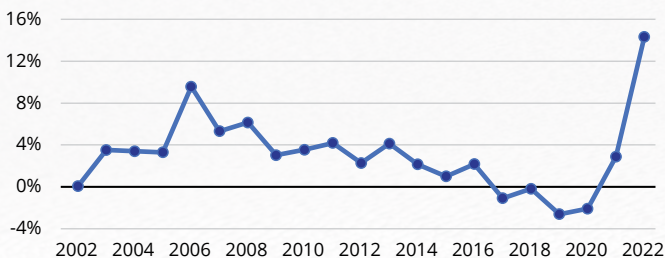
Resembling national trends, tightening vacancy rates and rising rents were themes in our 2022 rental survey, conducted every year in March. Rents were up more than usual in Alaska's three largest rental markets, with Anchorage recording its largest single-year increase in at least 20 years. At the same time, vacancy rates had fallen below pre-pandemic levels in all surveyed areas.

While many of the federal pandemic supports in place last year had expired — including eviction moratoriums, stimulus payments, and expanded unemployment benefits and child tax credits — emergency rental assistance was still circulating at the time of our survey, keeping some tenants in their units. Rental demand from delayed homebuying was another factor of several that contributed to declining vacancy rates. For more on the reasons vacancy rates have dropped, see page 6.

March survey was too early to reflect recent price increases

This year's survey probably came too early to capture recent cost increases that could eventually drive rents higher. Although heating oil prices increased sharply during the first few months of

A big rent increase for Anchorage



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

Rents up in much of the state

	2021 rent	2022 rent	Pct chg
Anchorage, Municipality	\$1,172	\$1,339	14.2%
Survey total	\$1,179	\$1,276	8.2%
Fairbanks North Star Borough	\$1,246	\$1,305	4.7%
Matanuska-Susitna Borough	\$1,051	\$1,092	3.9%
Sitka, City and Borough	\$1,323	\$1,349	2.0%
Chugach Census Area	\$1,241	\$1,265	1.9%
Juneau, City and Borough	\$1,245	\$1,260	1.2%
Kenai Peninsula Borough	\$1,023	\$1,023	0%
Kodiak Island Borough	\$1,270	\$1,270	0%
Wrangell-Petersburg	\$950	\$929	-2.2%
Ketchikan Gateway Borough	\$1,230	\$1,153	-6.3%

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

the year, rents didn't increase more than usual in most areas that rely on oil for heat and hot water. Landlords usually cover these utilities as part of the rent, and they are a sizable expense.

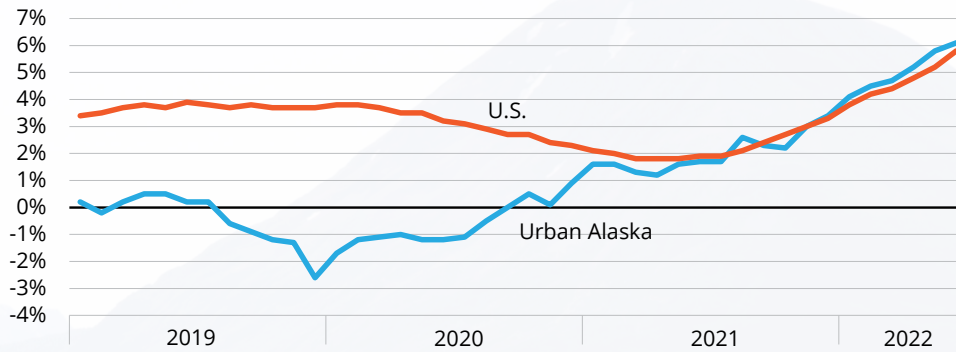
Rents rose in most areas, and especially in Anchorage

Alaska's survey-wide median adjusted rent was \$1,276 in March, an 8 percent increase from the previous year. Sitka rent topped the list at \$1,349 and Wrangell-Petersburg was the least expensive at \$929.

Rents in Anchorage and the Fairbanks North Star Borough exceeded \$1,300, while rents in the Kenai Peninsula and Matanuska-Susitna boroughs were less than \$1,100.

With nearly half the rental units in our survey, Anchorage mostly drove the statewide increase. Rents went up in many places, though, and rents in the Fairbanks North Star and Matanuska-Susitna boroughs also increased more than in recent years. However, Anchorage was the only area where rent hikes outpaced inflation, and 2022's 14 percent increase was the city's largest in at least 20 years.

Urban Alaska rent changes have tracked with U.S. since 2021



Source: U.S. Bureau of Labor Statistics, Consumer Price Index for the U.S. and CPI for Urban Alaska

Why Anchorage’s 14 percent rent increase may be misleading

While rents have clearly trended upward, the rent increase in Anchorage (and as a result, the survey total) was likely higher than what many renters were paying. Anchorage rents are often reported as advertised or asking prices for new renters rather than current rents paid by established tenants.

The difference between asking and current rent is typically small, and during normal times, asking rents are a reliable approximation of how much renters are paying. But national data show asking and current rents diverged in many places over the last year as landlords increased rents for advertised units more than they typically would.

While we don’t know the magnitude of this difference in Anchorage, the rent increase for Anchorage and the corresponding survey total should be interpreted as upper bounds.

About the rental survey

We partner with the Alaska Housing Finance Corporation to survey Alaska landlords in selected areas each spring.

All rents quoted in this article are median adjusted rent unless otherwise noted. Adjusted rent is the contract rent — the amount paid to the landlord — plus the cost of all utilities. Because utility types and costs vary by area, using adjusted rent makes units more comparable across the state.

The survey combines the Wrangell and Petersburg boroughs because of their small size.

Other sources confirm Anchorage rent has gone up, however. While not directly comparable to our survey, monthly data from the Bureau of Labor Statistics show Anchorage rent has risen steadily over the past year and the increases tracked with changes at the national level.

Consumer price indexes show that Alaska’s urban rent changes began to track with the nation’s in 2021. (See the chart above.)

While some landlords in the other nine areas we survey also report their asking rent rather than current rent, that’s less common and less likely to skew other areas’ results. (It’s also important to note these reporting differences don’t affect vacancy rates.)

Anchorage’s recent increases also followed years of declines

Anchorage’s rental market has weathered a few years of pandemic-related whiplash. While 2022’s rent increase was the biggest on record, that jump and the smaller increase the year before amid declining vacancy rates followed four consecutive years of decade-high vacancies and falling rents.

Overall, Anchorage rents were up about 10 percent from 2016. That’s less than 2 percent per year on average, which is in line with the city’s historical rent growth.

A closer look at rent and vacancy in Fairbanks and Mat-Su boroughs

Fairbanks and Mat-Su, the next-largest markets,

Text continues on page 8

Why is the rental market so tight?

The past two years' falling vacancy rates were a stark shift for Alaska. Before the pandemic, the overall vacancy rate had risen every year since 2016, since the state began to lose total population. Vacancy rates were higher during the second half of the decade in most places.

Rent hikes and tightening vacancy during the pandemic have been a national phenomenon. Since the pandemic began, the national vacancy rate has fallen below 6 percent multiple times — a first since 1984.

A range of factors are influencing vacancy rates, and while we can't quantify them, here's a list of likely contributors based on national and Alaska-specific data and analyses.

Likely reasons for falling vacancy

Home sales market kept more people in Alaska renting longer

When households move from renting to owning, they create vacancies in the rental market. At the national level, about one in three homebuyers are first-time buyers, according to The National Association of Realtors.

Normally, the flow of renters buying homes each year steadily frees up rental units, but house prices jumped during the pandemic, pushing some prospective first-time buyers to keep renting longer.

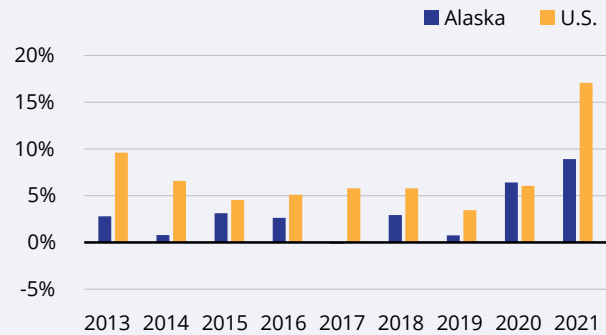
Although record-low interest rates during the

Average sales prices for Alaska single-family homes, 2020-21

	2020	2021	Pct chg
Anchorage, Municipality	\$410,658	\$436,577	6%
Matanuska-Susitna Borough	\$327,237	\$369,283	13%
Fairbanks North Star Borough	\$290,504	\$313,802	8%
Kenai Peninsula Borough	\$305,338	\$337,287	10%
Juneau, City and Borough	\$429,817	\$475,780	11%
Ketchikan Gateway Borough	\$380,291	\$439,961	16%
Kodiak Island Borough	\$364,993	\$375,316	3%
Statewide Total	\$356,768	\$388,648	9%

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

Average sales price changes for single-family homes, 2013-2022



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2012-2022 Rental Market Surveys; and S&P/Case-Shiller U.S. National Home Price Index

pandemic kept mortgages on par with pre-pandemic levels, rising house prices in Alaska raised other costs for prospective homebuyers, such as down payments. In 2021, the average single-family house in Alaska averaged more than \$388,000 — up nearly 17 percent from 2019.

Interest rates increased sharply in early 2022 while home prices remained high, pushing the average monthly mortgage payment up and putting homebuying even further out of reach for some.

With emergency rental assistance, fewer rental openings came from evictions

Evictions are another source of rental vacancies. While the federal moratorium on evictions ended in August 2021, federal emergency rental assistance kept some who were behind on rent in their homes in early 2022.

While Alaska has no publicly available eviction data, more than 26,000 renters — about three in 10 — received a share of the \$262 million in rental assistance distributed during the pandemic to help tenants pay back rent and utilities and offset future payments.

New households formed nationally in 2021

People altering their living arrangements during the pandemic may have also raised demand for rentals over the past year.

In 2020, the number of households in the U.S.

In 2021, people increasingly sought their own living spaces.

decreased for the first time on record, suggesting many people moved in together during the first year of the pandemic. Consolidating living space is common during tough economic times. In the case of COVID, people also moved in with relatives or partners for reasons beyond just lost jobs or tight budgets, including health concerns or taking care of family members.

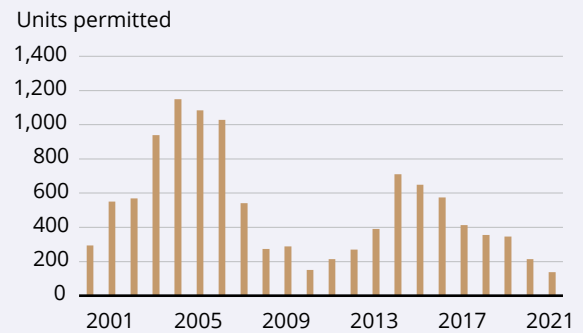
Then, in 2021, the number of U.S. households jumped by the largest number since 2007. The new household growth was driven by nonfamily households — roommates or other unrelated people living together — and younger adults, who are far more likely to rent than buy.

In 2021, people increasingly sought their own living spaces (reasons might include the easing of health concerns and financial constraints and the desire for more privacy and better work conditions as more people worked from home). While we don't know the extent to which these trends held in Alaska, a flood of new households, especially younger ones, would drive up demand and competition for rentals.

Age group most likely to rent has grown

Longer-term demographic trends are another possible factor, as the number of people in the age range most likely to rent has grown. The tail end of the large millennial generation reached young adulthood during the past decade, raising the number of people between the ages of 30 and 40. In 2020, about 60

Decline in Alaska multi-family home construction after 2014



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

percent of renters in the state were younger than 45.

Nationally, this generation is also buying their first homes later than previous generations.

Construction on a long-term decline

New home construction has been low nationwide since the Great Recession of the late 2000s, suggesting building over the last decade wasn't sufficient to meet rising demand.

Building permits for multi-family housing units in the areas our rental survey covers have been falling since 2014 and hit the lowest point in at least two decades in 2021, as the chart above shows.

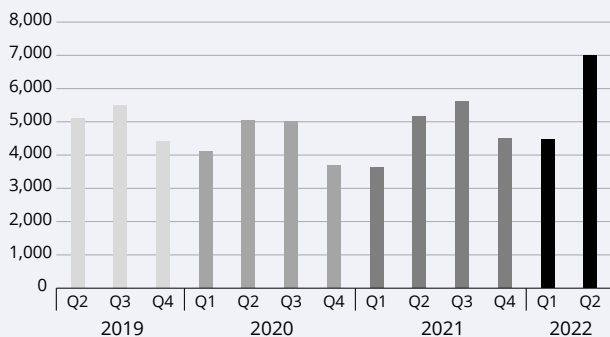
Some rentals transitioning to Airbnbs

The growing popularity of short-term vacation rentals via hosting platforms such as Airbnb and Vrbo can further restrict the supply of long-term rentals, although Alaska data are limited.

These hosting platforms allow people to rent residential property to guests on a short-term basis (usually less than 30 days of continuous occupancy). Short-term rentals range from a room in an owner-occupied home to an entire apartment or single-family house.

AirDNA, a short-term rental analytics firm, showed that listings on these sites for Anchorage, Mat-Su, Kenai, Fairbanks, Juneau, Kodiak, and Sitka were significantly higher during the second quarter of 2022 than before the pandemic.

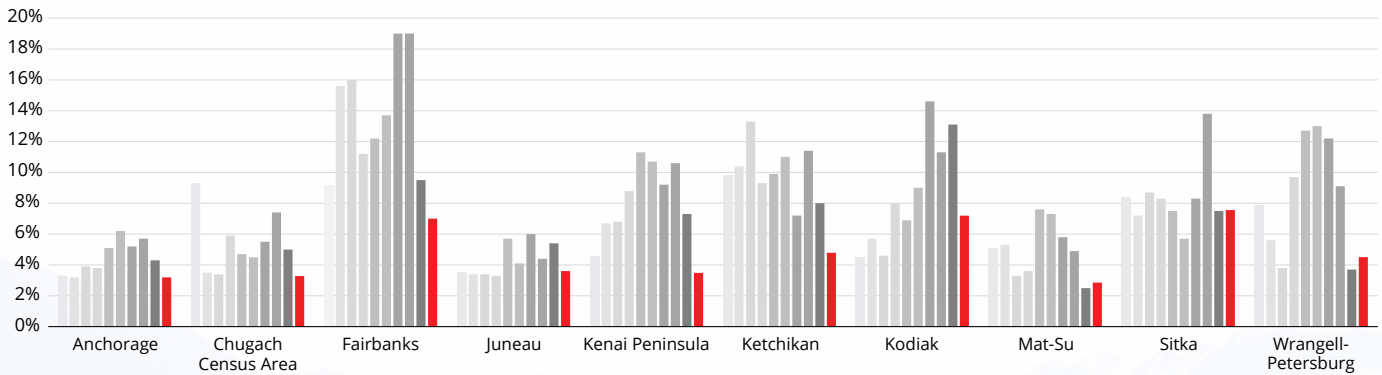
Numbers of short-term rental listings in surveyed Alaska areas



Source: AirDNA

Continued on page 9

Vacancy rate trends by surveyed Alaska area, 2013 to 2022



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2013-2022 Rental Market Surveys

were among the few areas in the state to gain population in recent years.

While Fairbanks' vacancy rate remained among the highest in this year's survey, it hit its lowest level in over a decade, mainly because the military influx that began in 2020 continued to raise rental demand.

Fairbanks' 5 percent rent increase for 2022 marked the seventh straight year that rent has gone up and the third time in the last four years that the increase has topped 4 percent.

In Mat-Su, rent increased significantly for the first time since 2018 (4 percent). While Mat-Su's population has been growing for a decade, growth slowed from 2017 to 2020, then picked up again last year.

Vacancy had tightened in most surveyed areas this spring

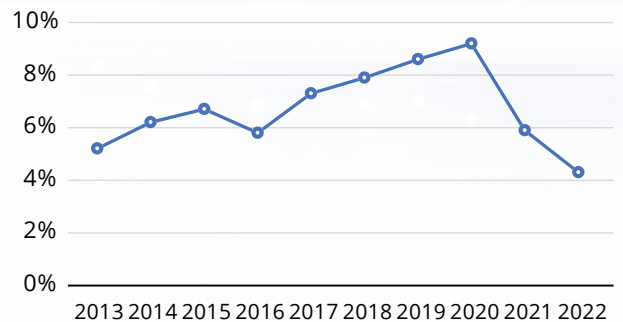
Tightening vacancy rates are one of the main reasons rent goes up. Renters compete for units when vacancy rates are low, giving landlords more pricing power.

While vacancy was tight in the three areas where rent increased most, vacancy rates in all other surveyed areas were also at or near decade lows. (See page 6 for more on this trend.)

The overall vacancy rate fell for a second straight year to 4.3 percent, its lowest in a decade. Mat-Su and Anchorage had the tightest markets at 2.9 and 3.2 percent vacancy, respectively. Rates were highest in Kodiak and Sitka (7.2 and 7.6 percent).

Many of the biggest drops in vacancy came in areas

Alaska's rental vacancy rate



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2022 Rental Market Survey

with historically high vacancy, such as Fairbanks, the Kenai Peninsula Borough, Ketchikan, and Kodiak. Kenai and Ketchikan rates hit record lows in 2022.

Rent still affordable on average, but that isn't the whole story

Our measure of rental affordability is the percentage of an area's average monthly wage needed to cover its median adjusted rent. The U.S. Department of Housing and Urban Development considers housing affordable when occupants spend no more than 30 percent of their gross income on housing costs, including utilities.

While rents have risen everywhere since 2020, rising wages have made renting more affordable in all surveyed areas except Anchorage, where rent increases have outpaced average wage growth. But even with

Anchorage's historic rent increase in 2022, it remained among the more affordable places surveyed.

In 2022, renting in Anchorage required less than 25 percent of the average monthly paycheck, up from 21 percent in 2021 and in line with Anchorage's affordability for most of the past decade. Higher average wages in Anchorage help offset its higher rents.

Most areas' rents required between 22 and 27 percent of the average worker's monthly wages. Kodiak and Sitka were the exceptions, and they have historically ranked among the least affordable places in our survey because of high rents and relatively low wages.

While this measure gives a sense of how well the average worker could afford an area's median rent, it varies widely for individuals.

The U.S. Census Bureau estimates that historically, about 40 percent of renters in Alaska have spent over 30 percent of their household income on rent and utilities. The average renter in Alaska is younger and lower-income than the typical homeowner.

Rising costs and waning pandemic supports have increased the burden on tenants. The prices of

How much Alaskans spend on rent

	Percent of wages spent on rent	Median March 2022 rent	2021 avg monthly wage
Sitka, City and Borough	31%	\$1,349	\$4,363
Kodiak Island Borough	30%	\$1,270	\$4,303
Fairbanks North Star Borough	27%	\$1,305	\$4,847
Matanuska-Susitna Borough	26%	\$1,092	\$4,138
Ketchikan Gateway Borough	26%	\$1,153	\$4,481
Juneau, City and Borough	25%	\$1,260	\$4,998
Survey total	25%	\$1,276	\$5,095
Anchorage, Municipality	24%	\$1,339	\$5,467
Wrangell-Petersburg	23%	\$929	\$4,126
Chugach Census Area	22%	\$1,265	\$5,666
Kenai Peninsula Borough	22%	\$1,023	\$4,644

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation 2022 Rental Market Survey; and Quarterly Census of Employment and Wages

big-budget items such as food and gas have risen substantially over the last year. Meanwhile, eviction moratoriums, stimulus payments, expanded unemployment benefits, and emergency rental assistance have all expired, adding unusual twists to affordability calculations.

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FEWER VACANCIES

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It's not clear how many units in Alaska are moving from long-term to short-term, but national studies have found that in other parts of the country, short-term rentals can deplete long-term rental stocks.

Anecdotally, our survey did suggest some Alaska units are transitioning to short-term rentals. The table on the right gives some context on their prevalence, as it shows the numbers of short-term rental listings in various places in Alaska relative to their total housing stock.

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Short-term rental listings and total housing units by area

	Q2 2022 short-term listings	Housing units, total
Anchorage, Municipality	2,323	118,293
Kenai Peninsula	2,149	31,330
Matanuska-Susitna Borough	903	42,018
Fairbanks North Star Borough	717	44,270
Juneau, City and Borough	379	13,792
Sitka, City and Borough	151	4,229
Kodiak Island Borough	140	5,450
Ketchikan Gateway Borough	127	6,427
Chugach Census Area	72	3,287
Wrangell-Petersburg	37	3,251

Sources: AirDNA for short-term listings and U.S. Census Bureau, American Community Survey 2016 to 2020 for housing units

Projected population through 2050

Predicted growth would be slowest in Alaska's history

By DAVID HOWELL

Alaska's population will increase by a projected 24,800 people from 2021 to 2050 — far less long-term growth than Alaska has seen historically. For context, the state added more than 147,000 people over the past 29 years.

Alaska's long growth streak extended through the early 2010s, but the population shrunk later in the decade for the first time since the oil crash of the 1980s. The late 2010s decrease was mainly a downturn in net migration (in-migrants minus out-migrants), but also less natural increase (births minus deaths).

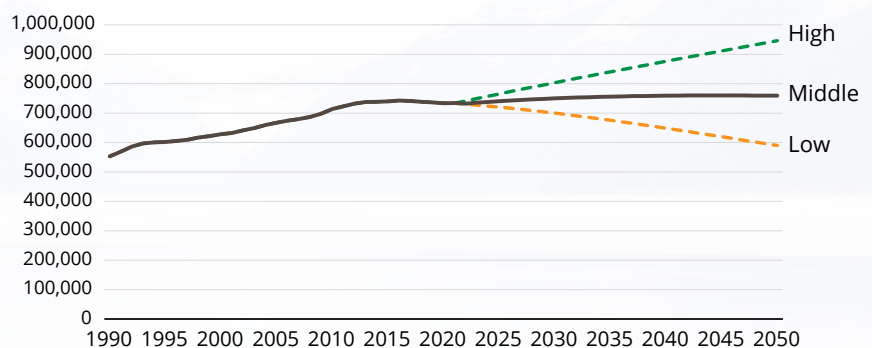
More people have left Alaska than moved in every year since 2012, and nine years of net migration losses have drastically shifted the projected long-term net migration rates. This coupled with birth rates declining since 2015 led to lower population projections.

Birth rates on a long decline

In 2019, Alaska births fell below 10,000 for the first year since 2002 and have continued to decline. While birth rates have been on a steady decline, the drop in annual births is also tied to Alaska's changing age structure. Millennials, the large generation born between 1981 and 1996, are beginning to age out of their most fertile years.

Alaska's total fertility rate — the number of children a woman would have in her lifetime at today's age-specific rates — was 2.2 in 2015. It's now 1.9, which is below the replacement rate, which is the level required to maintain a population over time.

Alaska population scenarios, 1990 to 2050



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

Average yearly births, deaths, net migration

	Births	Deaths	Net migration
1991-2001	10,448	2,591	-1,491
2001-2011	10,800	3,353	1,572
2011-2021	10,658	4,405	-5,111
2021-2030	9,279	5,668	-1,875
2030-2040	9,297	6,873	-1,500
2040-2050	9,217	7,716	-1,509

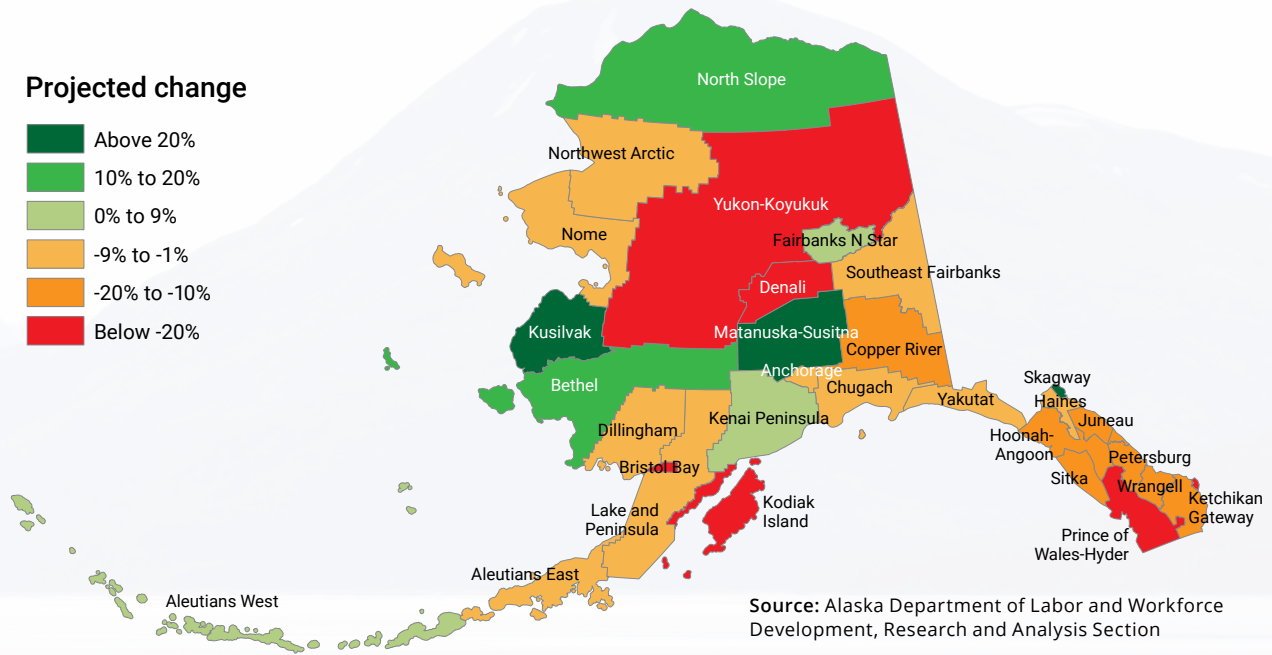
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Deaths will continue to climb

COVID-19 raised Alaska's death rate over the last two years and will continue to influence death rates in the short term, but not to the same levels as 2020-2021 when the pandemic was at its worst.

Even without the pandemic, deaths would have risen in Alaska with the aging of the baby boom generation. Many baby boomers moved to Alaska

Population projections by borough or census area, 2021 to 2050



Area	Estimate	Projections as of July 1						Change	Pct chg
	2021	2025	2030	2035	2040	2045	2050	2021-50	2021-50
Alaska	734,323	740,369	749,942	755,972	759,191	759,917	759,111	24,788	3.4%
Anchorage/Mat-Su Region	398,502	405,336	413,778	420,033	424,358	426,680	427,382	28,880	7.2%
Anchorage, Municipality	289,697	290,400	290,948	289,735	287,226	283,749	279,824	-9,873	-3.4%
Matanuska-Susitna Borough	108,805	114,936	122,830	130,298	137,132	142,931	147,558	38,753	35.6%
Gulf Coast Region	81,492	81,322	81,228	80,738	79,952	78,907	77,716	-3,776	-4.6%
Chugach Census Area	7,009	7,001	6,946	6,855	6,758	6,652	6,547	-462	-6.6%
Copper River Census Area	2626	2576	2484	2390	2309	2221	2155	-471	-17.9%
Kenai Peninsula Borough	58,957	59,333	59,927	60,137	60,027	59,676	59,143	186	0.3%
Kodiak Island Borough	12,900	12,412	11,871	11,356	10,858	10,358	9,871	-3,029	-23.5%
Interior Region	111,306	112,108	113,227	113,708	113,786	113,630	113,595	2,289	2.1%
Denali Borough	1,655	1,505	1,420	1,340	1,265	1,200	1,150	-505	-30.5%
Fairbanks North Star Borough	97,515	98,790	100,278	101,136	101,585	101,762	102,013	4,498	4.6%
Southeast Fairbanks Census Area	6,881	6,837	6,763	6,669	6,557	6,453	6,339	-542	-7.9%
Yukon-Koyukuk Census Area	5,255	4,976	4,766	4,563	4,379	4,215	4,093	-1,162	-22.1%
Northern Region	28,261	28,409	28,688	29,011	29,361	29,697	30,027	1,766	6.2%
Nome Census Area	9,691	9,515	9,472	9,446	9,423	9,402	9,388	-303	-3.1%
North Slope Borough	10,995	11,262	11,647	12,056	12,477	12,859	13,211	2,216	20.2%
Northwest Arctic Borough	7,575	7,632	7,569	7,509	7,461	7,436	7,428	-147	-1.9%
Southeast Region	72,494	71,056	70,068	68,679	66,995	65,119	63,099	-9,395	-13.0%
Haines Borough	2,614	2,613	2,600	2,575	2,536	2,483	2,427	-187	-7.2%
Hoonah-Angoon Census Area	2,350	2,250	2,220	2,173	2,112	2,047	2,000	-350	-14.9%
Juneau, City and Borough	32,155	31,502	31,261	30,813	30,229	29,520	28,692	-3,463	-10.8%
Ketchikan Gateway Borough	13,895	13,637	13,476	13,219	12,886	12,497	12,051	-1,844	-13.3%
Petersburg Borough	3,368	3,412	3,360	3,276	3,189	3,096	2,999	-369	-11.0%
Prince of Wales-Hyder Census Area	5,729	5,342	5,033	4,743	4,455	4,186	3,951	-1,778	-31.0%
Sitka, City and Borough	8,387	8,242	8,039	7,794	7,506	7,195	6,871	-1,516	-18.1%
Skagway Borough, Municipality	1,203	1,331	1,441	1,534	1,604	1,682	1,748	545	45.3%
Wrangell, City and Borough	2,096	2,039	1,965	1,893	1,829	1,773	1,724	-372	-17.7%
Yakutat, City and Borough	697	688	673	659	649	640	636	-61	-8.8%
Southwest Region	42,268	42,138	42,953	43,803	44,739	45,884	47,292	5,024	11.9%
Aleutians East Borough	3,583	3,362	3,353	3,343	3,333	3,308	3,292	-291	-8.1%
Aleutians West Census Area	5,169	5,148	5,145	5,168	5,207	5,288	5,316	147	2.8%
Bethel Census Area	18,416	18,349	18,902	19,476	20,070	20,737	21,540	3,124	17.0%
Bristol Bay Borough	822	802	762	717	681	647	615	-207	-25.2%
Dillingham Census Area	4,718	4,534	4,458	4,390	4,343	4,315	4,296	-422	-8.9%
Kusilvak Census Area	8,139	8,620	9,024	9,409	9,808	10,282	10,905	2,766	34.0%
Lake and Peninsula Borough	1,421	1,323	1,309	1,300	1,297	1,307	1,328	-93	-6.5%

in the 1980s and '90s and stayed. The oldest are now in their mid-70s and the youngest will turn 65 this decade.

Deaths will continue to increase, especially because Alaska historically hasn't had many residents in the older age groups.

More deaths plus fewer births means much lower levels of natural increase. Alaska will gain a projected 4,300 people through natural increase from 2022 to 2023, which will fall to 1,300 a year by 2050.

Looking at different possibilities for migration through 2050

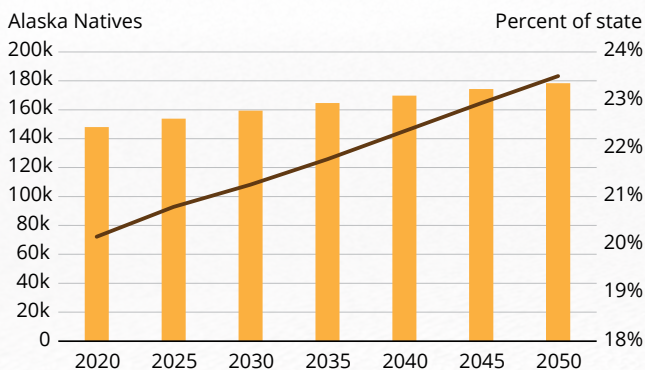
The projected net migration loss from 2021 to 2022 is similar to the previous five years, leading to a small decrease in population. Beyond 2022, the projections use the long-term average from the past 30 years, which results in a projected net migration rate of -0.2 percent.

Natural increase will probably mitigate the migration losses until 2044, but after that, natural increase is projected to be smaller than net migration losses.

Because migration is so uncertain, we project Alaska's population using middle, low, and high scenarios. The middle scenario is most likely and is built on historical rates, as mentioned above. Adding other scenarios allows us to see what would happen if migration trends continue or change.

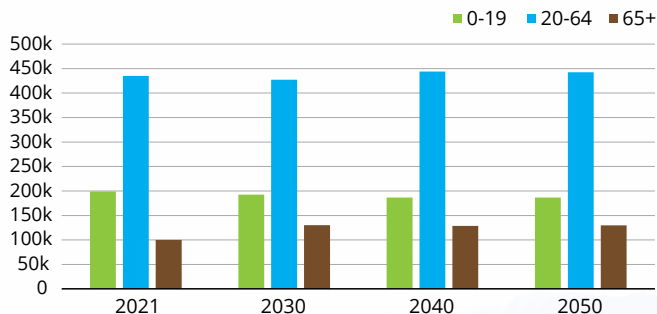
The low scenario uses a net migration rate of -1

Alaska Natives to increase



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

Projected change in Alaska's age structure, 2021 to 2050



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

percent, which is close to Alaska's rate since 2016. If this were to continue, the population would dwindle to 589,800 by 2050.

The high scenario uses a net migration rate of 0.5 percent. A net inflow at that rate would allow Alaska's population to grow rapidly, reaching 946,300 in 2050.

Long-term patterns by age group

Ages 0-19

Alaska's projected number of children declines steadily over most of the projections period. Because births have fallen below replacement level, they can no longer offset the numbers aging out of childhood.

The projected declines in the 0-19 age group are slow between now and 2025 but reach -6 percent by 2035 before leveling off through 2050. This age group may decline even more than we've projected because these projections hold fertility rates constant despite birth rates decreasing steadily.

Ages 20-64

The working-age group has been shrinking for much of the last decade, mainly as baby boomers aged out but also because of migration-related losses.

We project the population ages 20-64 will decline by 10,000 between 2021 and 2025, then resume growing once all of the boomers have reached retirement age. We project the working-age population will then increase from the low of 425,500 in 2025 to 442,500 in 2050.

Ages 65+

Alaska's senior population topped 100,000 for the first time in 2021, and this age group will grow the fastest over the projections period.

Projected growth in the senior population peaks in 2035 when the oldest baby boomers reach 90. The senior population will begin to grow again after 2045 as millennials start turning 65.

Alaska Natives' growth pattern differs from rest of the state

The Alaska Native population hasn't seen the same changes as the rest of the state. Native birth rates remain well above replacement level, and while their net migration is also negative, natural increase easily makes up for the losses.

We project an increase of 30,000 in the Alaska Native population from 2021 to 2050 (to 178,367). Because the Native population will grow faster than the state as a whole, Natives will also grow as a percentage of the total population, from 20 percent in 2021 to 23 percent in 2050.

While birth rates have been on a steady decline, the drop in births is also tied to Alaska's changing age structure.

The population outlook by region

Anchorage/Matanuska-Susitna

The Anchorage/Matanuska-Susitna Region's projected growth is entirely in the Matanuska-Susitna Borough. Mat-Su is projected to grow the most numerically of any borough or census area, but its expansion is tied to the Anchorage economy and job market because there's so much migration between the two. Anchorage's population will change little before 2030, but natural increase will no longer offset the city's net migration losses after that.

Gulf Coast

We project the Gulf Coast Region will lose about 3,800 people between 2021 and 2050 through a combination of migration losses and broad natural decrease. Natural decrease, or deaths outnumbering births, has been rare in Alaska but will become more common with an older population.

Interior

The Interior is shaped by the Fairbanks North Star Borough, which is the only area in the region projected to grow but is large enough to boost the region's total population modestly.

The Interior's population turnover is high because of its large military and university presence. These groups also keep the population fairly young, though, so natural increase will make up for projected migration losses.

Northern

The Northern Region's birth rates declined in recent years but because the population is young, births are still twice as high as deaths. The region will grow through projected natural increase despite net migration losses. Exceptions are the Nome Census Area and the Northwest Arctic Borough, whose populations are projected to decline slightly over the period.

Southeast

Skagway is projected to grow more in percentage terms than any other area in the state. It's also the only borough or census area in Southeast likely to grow over the next 29 years. Overall, we project Southeast will lose more people than any other region, at -13 percent (a loss of 9,400).

Southeast has the oldest population in the state and low birth rates, so every part of the region aside from Skagway is expected to lose population through natural decrease by 2050.

Southwest

The Southwest Region's birth rates are Alaska's highest, and it's also the youngest region, leading to strong projected growth through natural increase. Southwest does lose people to migration, but natural increase will be strong enough to make Southwest the fastest-growing region through the projections period.

For the complete data set, visit: live.laborstats.alaska.gov/pop/projections.html

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

Movers and population turnover

Data by state show Alaska represents the extremes

By ERIC SANDBERG

The Internal Revenue Service recently released 2019 to 2020 migration data that allow us to compare movement trends with other states.

For Alaska, it confirms what population estimates from other sources show. Alaska has the highest yearly population turnover of any state, called gross migration. The gross migration rate is the total number of people who moved both in and out of a state over the year, divided by the total population. The IRS data also show Alaska's negative net migration: more people left the state than moved in.

Our turnover is highest, but that's Alaska's historical norm

Alaska's gross migration rate was nearly 11 percent over those two years, and while ours was the highest rate among states, that's our historical norm. Alaska's gross migration rate topped the list in 19 of

the 30 available years of IRS data — including the last 14 in a row — and never ranked below second place.

Alaska's turnover isn't as high as it used to be, though, having declined from around 16 percent in the early 1990s.

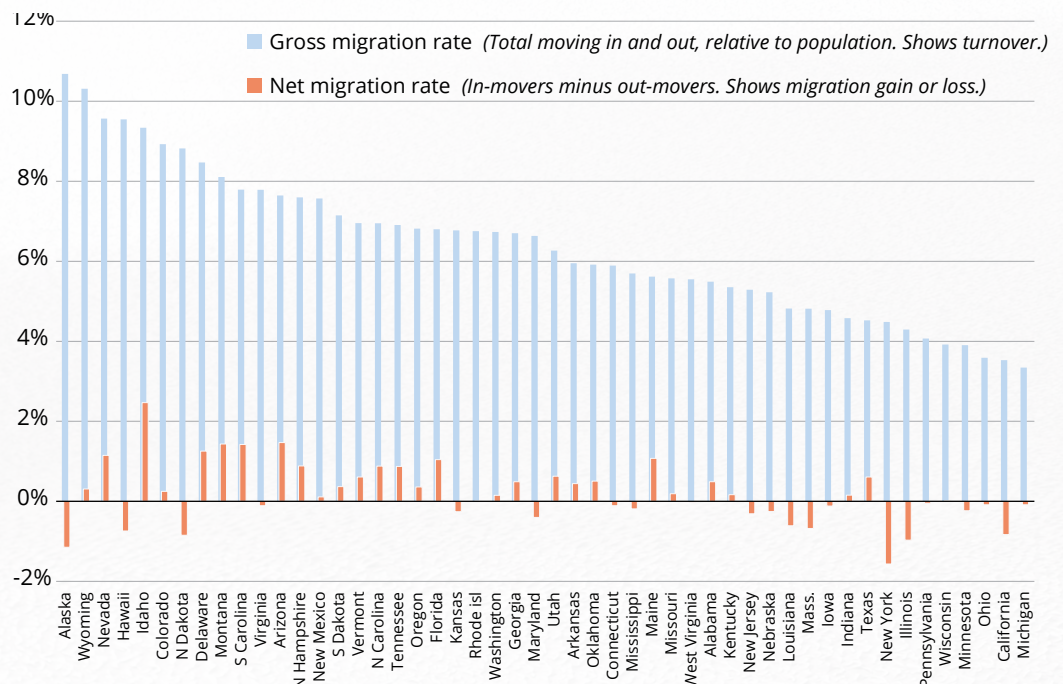
Turnover is easy to misinterpret. For example, a rate of 10 percent doesn't mean the entire population would turn over in a decade. In reality, many people who leave Alaska also arrived fairly recently, so annual data shouldn't be added cumulatively.

Most other states with high gross migration rates are having a population influx (positive net migration) or are places where high turnover is the norm.

Among the latter, several are broadly similar to Alaska. Wyoming and North Dakota have big resource extraction industries. Before natural resources became a large part of North Dakota's economy, that state's gross migration rate was in the middle of the pack.

Migration by state, 2019 to 2020

Source: Internal Revenue Service Tax Statistics



Hawaii shares Alaska's detachment from the contiguous states and has a large military population.

Certain parts of the country are drawing the most movers

People are flocking to states in specific areas of the country. From 2019 to 2020, Idaho received the largest proportional influx of newcomers at 2.5 percent, followed by fellow western states Arizona (1.5 percent) and Montana (1.4 percent).

Nevada, whose net migration rate was highest for most of the last 30 years, also continued to draw movers.

Other major destinations were in the Southeast (the Carolinas, Florida, and Tennessee), upper New England (Maine and New Hampshire), and Delaware.

Alaska is among the states losing the most people to net migration each year. Many states with large net outflows are urban, but not all.

Alaska's 2019-2020 net migration rate of -1.1

About the IRS mover data

In May, the Internal Revenue Service released new migration data for all states. The IRS recorded moves for all filers and their dependents between 2019 and 2020 by comparing address changes on their tax returns.

While these numbers are a couple of years old and match already-published Department of Labor and Workforce Development estimates for Alaska's gross migration and net migration rates, the IRS data's value lies in the comparisons they allow us to make across states.

percent ranked second-lowest behind New York (-1.6 percent).

Other states with notable net losses included Illinois (-1.0 percent), North Dakota (-0.8 percent), California (-0.8 percent), Hawaii (-0.7 percent), and Massachusetts (-0.7 percent).

Eric Sandberg is a demographer in Juneau. Reach him at (907) 465-2437 or eric.sandberg@alaska.gov.

EMPLOYER RESOURCES

2022 Veterans and Military Spouses Job Fair is Nov. 9

The Alaska Department of Labor and Workforce Development will host our annual Veterans and Military Spouses Job Fair in person this year, on Nov. 9 from 10 a.m. to 2 p.m. in Anchorage at 1251 Muldoon Road.

Did you know ... that an armistice, or temporary peace, was signed on the 11th hour of the 11th day of the 11th month of 1918, bringing the fighting of World War I to an end? A year later, President Woodrow Wilson announced that Nov. 11 would be called Armistice Day, a day dedicated to world peace in honor of World War I veterans. In 1954, Congress changed the name to Veterans Day to honor all military veterans.

More than 69,000 veterans call Alaska home, and Alaska has the highest concentration of veterans per capita in the nation. Veterans are an asset to the workforce because of their adaptability, dependability, problem solving skills, leadership, follow-through,

ability to work as part of a team, and strong sense of responsibility.

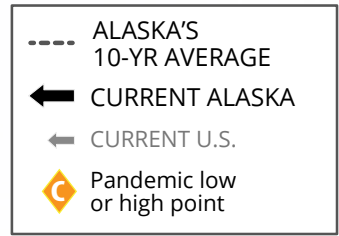
To honor Alaska's veterans, the department hosts the Veterans and Military Spouses Job Fair each November, connecting veterans and their family members with a network of employers. This is one of the largest hiring fairs in Alaska, and many Alaska employers use this event to find valuable military talent.

We encourage employers who want to participate or learn more about the numerous reasons to hire veterans and military spouses to contact the department's Business Connections at (907) 269-4777.

We hope to see you there!

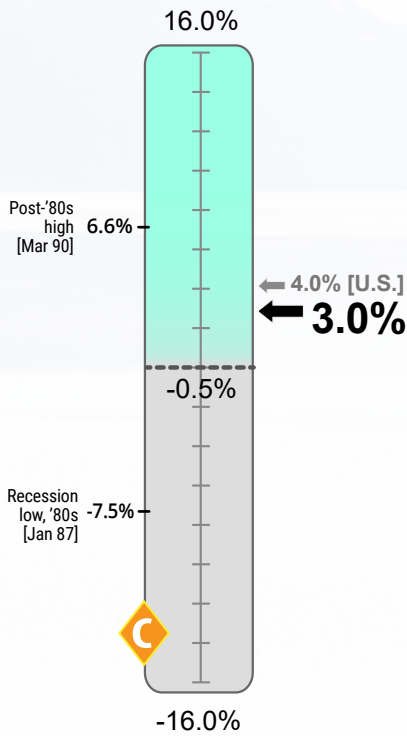
Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.

Gauging The Economy



Job Growth

July 2022
Over-the-year percent change

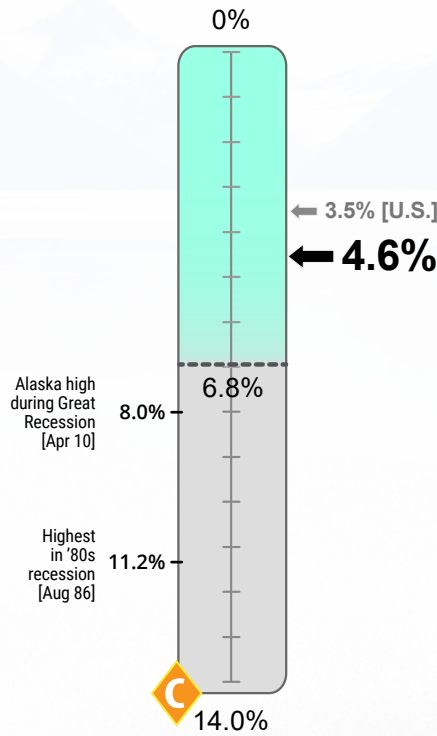


The spread of COVID-19 caused rapid job loss in early 2020. Although employment is up significantly from pandemic lows, it is still 4.0 percent below July 2019.

U.S. employment, which was up 4.0 percent from July 2021, is now 1.1 percent above its 2019 level.

Unemployment Rate

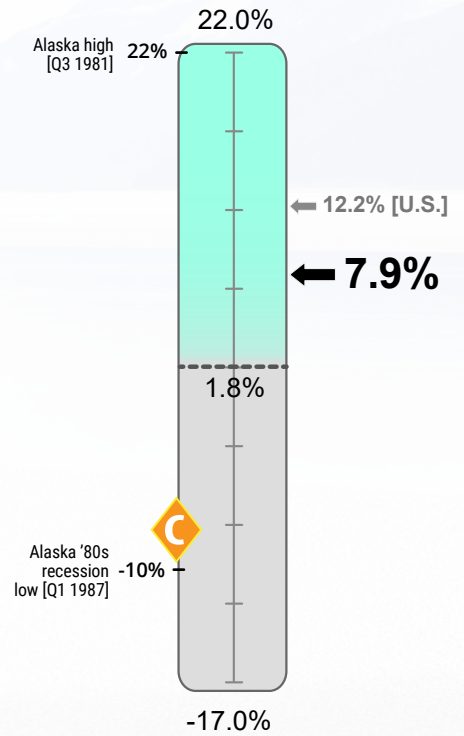
July 2022
Seasonally adjusted



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

1st Quarter 2022
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.

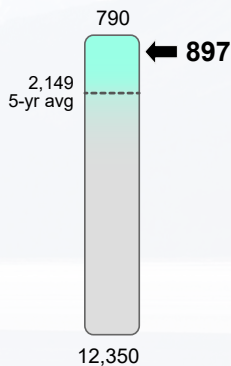
Wages were up 7.9 percent from year-ago levels in the first quarter of 2022 and 2.4 percent above first quarter 2019.

Gauging The Economy

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

Initial Claims

Unemployment, week ending Aug. 6, 2022*

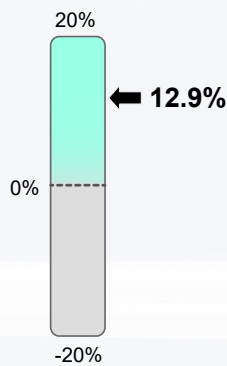


Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads have fallen, and new claims for benefits are back below their long-term average.

*Four-week moving average ending with specified week

GDP Growth

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

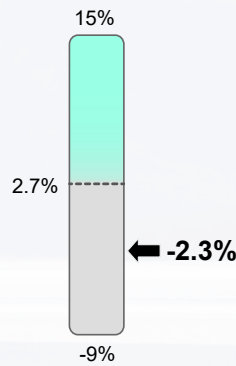


Gross domestic product is the value of the goods and services a state produces. Alaska's GDP fell hard in early 2020 but recovered most of those losses in 2021.

*In current dollars

Personal Income Growth

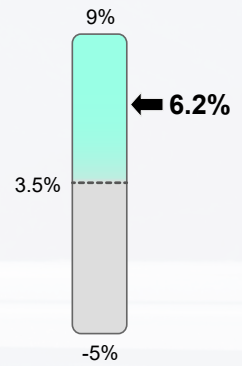
1st Quarter 2022 Over-the-year percent change



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*

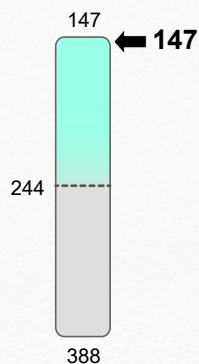


Home prices shown include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

*Four-quarter moving average ending with specified quarter

Foreclosures

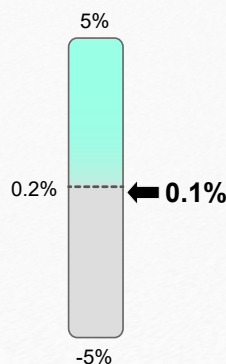
1st Quarter 2020



Foreclosure moratoriums have kept these numbers low during the pandemic.

Population Growth

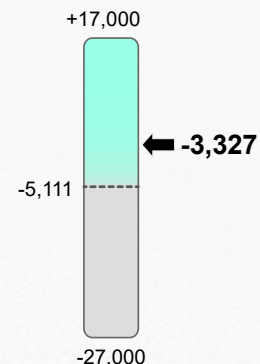
2020 to 2021



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

Net Migration

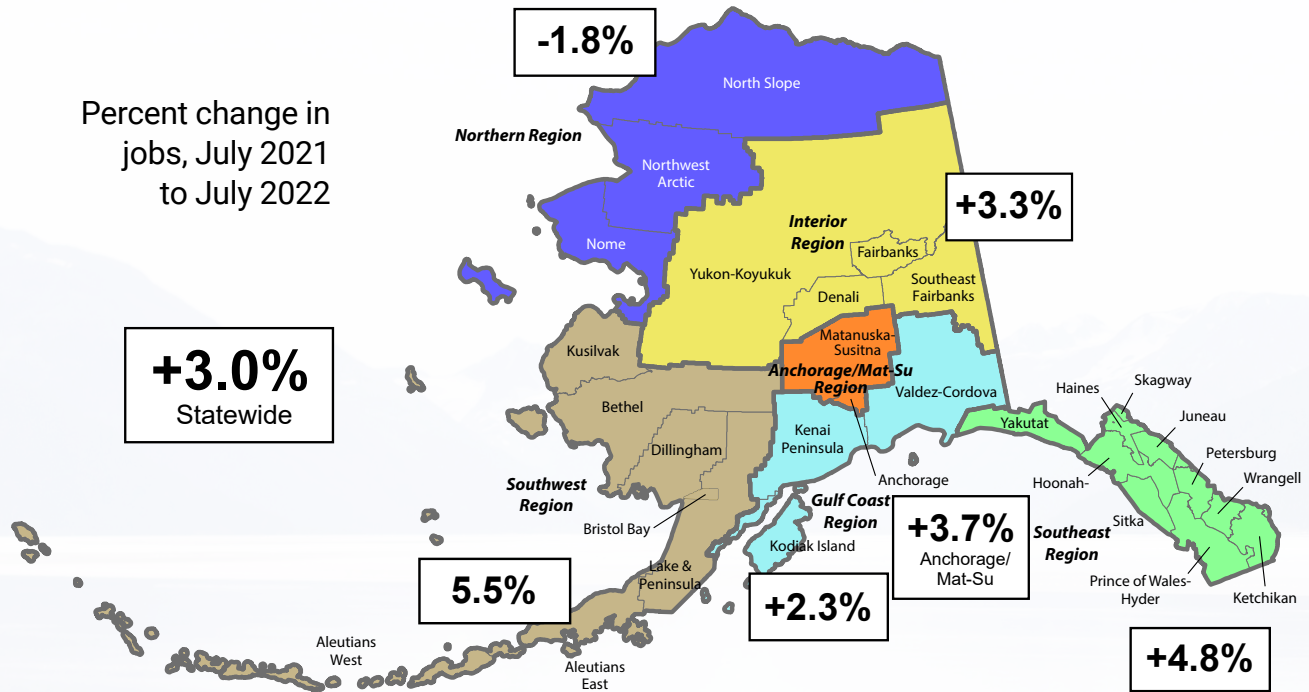
2020 to 2021



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, July 2021 to July 2022



Unemployment Rates

Seasonally adjusted

	Prelim.		Revised
	7/22	6/22	7/21
United States	3.5	3.6	5.4
Alaska	4.5	4.6	6.5

Not seasonally adjusted

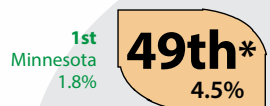
	Prelim.		Revised
	7/22	6/22	7/21
United States	3.8	3.8	5.7
Alaska	4.3	4.6	6.0

Regional, not seasonally adjusted

	Prelim.			Revised				Prelim.			Revised		
	7/22	6/22	7/21	7/22	6/22	7/21		7/22	6/22	7/21	7/22	6/22	7/21
Interior Region	4.0	4.3	5.0	Southwest Region	7.0	8.4	8.9	Southeast Region	3.5	4.1	5.4		
Denali Borough	4.7	5.3	5.6	Aleutians East Borough	1.3	1.7	1.4	Haines Borough	6.6	7.0	8.7		
Fairbanks N Star Borough	3.6	3.9	4.7	Aleutians West Census Area	2.6	3.7	2.8	Hoonah-Angoon Census Area	4.5	5.3	6.3		
Southeast Fairbanks Census Area	4.9	5.3	6.0	Bethel Census Area	11.1	11.7	13.9	Juneau, City and Borough	2.8	3.2	4.3		
Yukon-Koyukuk Census Area	8.8	8.8	10.5	Bristol Bay Borough	1.2	2.6	1.7	Ketchikan Gateway Borough	4.0	4.7	6.7		
Northern Region	8.9	8.9	10.0	Dillingham Census Area	5.5	6.7	7.2	Petersburg Borough	4.2	5.2	5.1		
Nome Census Area	9.4	9.3	10.7	Kusilvak Census Area	18.1	18.2	22.6	Prince of Wales-Hyder Census Area	6.0	5.9	8.1		
North Slope Borough	5.6	6.1	6.4	Lake and Peninsula Borough	4.7	6.6	6.7	Sitka, City and Borough	2.4	3.1	3.6		
Northwest Arctic Borough	11.9	11.3	13.0	Gulf Coast Region	4.3	4.9	5.9	Skagway, Municipality	5.7	6.3	10.2		
Anchorage/Mat-Su Region	4.0	4.2	5.9	Kenai Peninsula Borough	4.6	5.0	6.3	Wrangell, City and Borough	5.1	5.4	7.0		
Anchorage, Municipality	3.6	3.8	5.7	Kodiak Island Borough	3.3	4.3	4.7	Yakutat, City and Borough	3.7	4.6	5.7		
Mat-Su Borough	5.0	5.3	6.5	Chugach Census Area	2.8	3.6	4.3						
				Copper River Census Area	7.2	8.5	6.6						

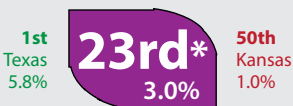
How Alaska Ranks

Unemployment Rate¹



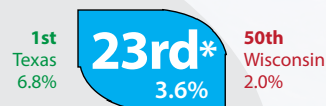
*Tied with New Mexico

Job Growth²



*Tied with Idaho, Okla., and Va.

Job Growth, Private²



*Tied with Rhode Island

Job Growth, Government²



*Tied with Ala. and S. Dakota

Job Growth, Leisure and Hospitality²



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

¹July seasonally adjusted unemployment rates

²July 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)	252.271	1st half 2022	232.679	+8.42%
Commodity prices				
Crude oil, Alaska North Slope, * per barrel	\$106.77	July 2022	\$74.24	+43.82%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$7.19	July 2022	\$3.81	+88.71%
Gold, per oz. COMEX	\$1,745.84	8/22/2022	\$1,806.30	-3.21%
Silver, per oz. COMEX	\$18.98	8/22/2022	\$23.70	-19.92%
Copper, per lb. COMEX	\$3.65	8/23/2022	\$4.22	-13.44%
Zinc, per lb.	\$1.60	8/23/2022	\$1.33	+20.30%
Lead, per lb.	\$0.91	8/23/2022	\$1.12	-18.75%
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	3,063	July 2022	7,008	-56.29%
Continued filings	16,165	July 2022	29,333	-44.89%
Claimant count	3,705	July 2022	7,788	-52.43%

*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