

Workforce Trends in Alaska

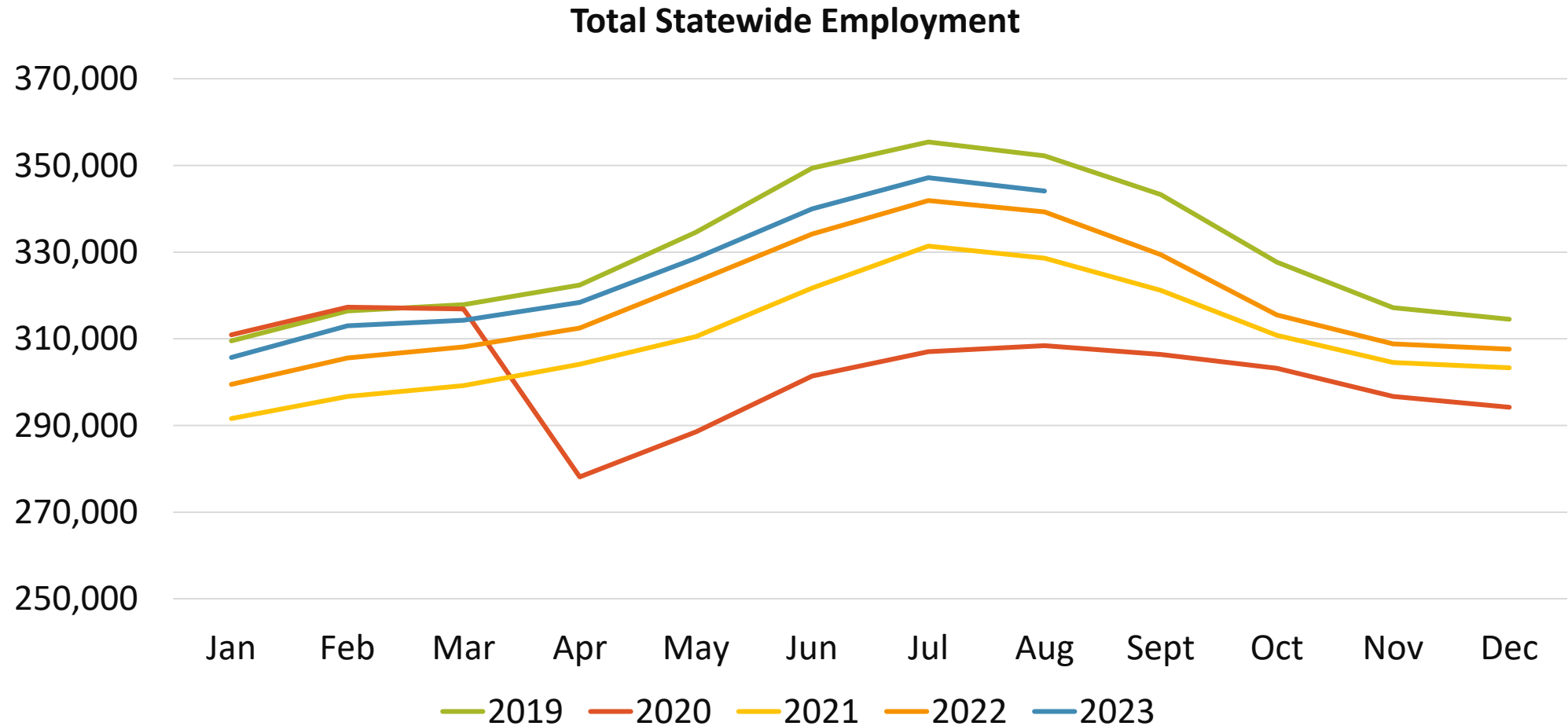
Dr. Kevin Berry

Associate Professor of Economics

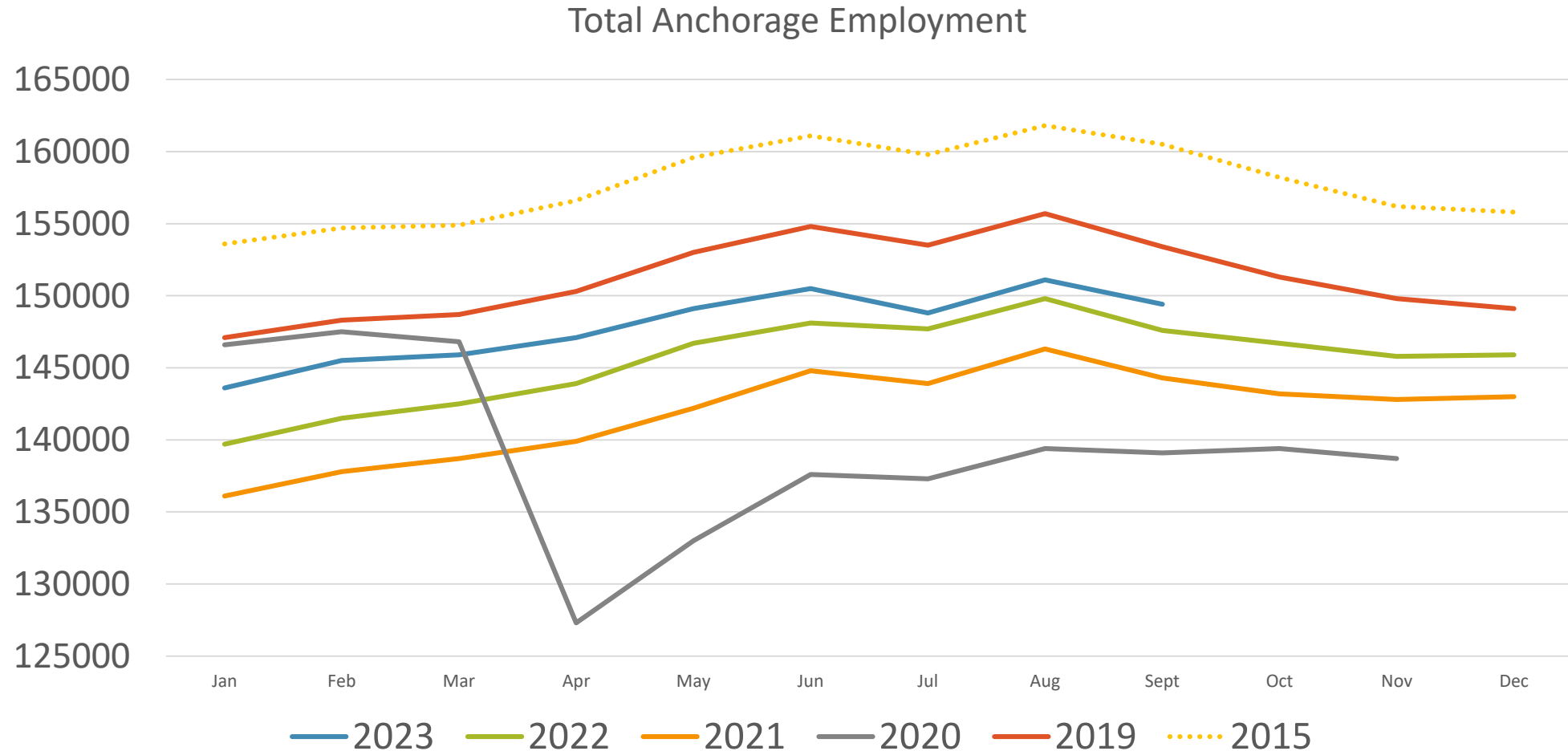
Harold T. Caven Professor in Business and Finance

University of Alaska Anchorage

Jobs numbers are **still** below 2019

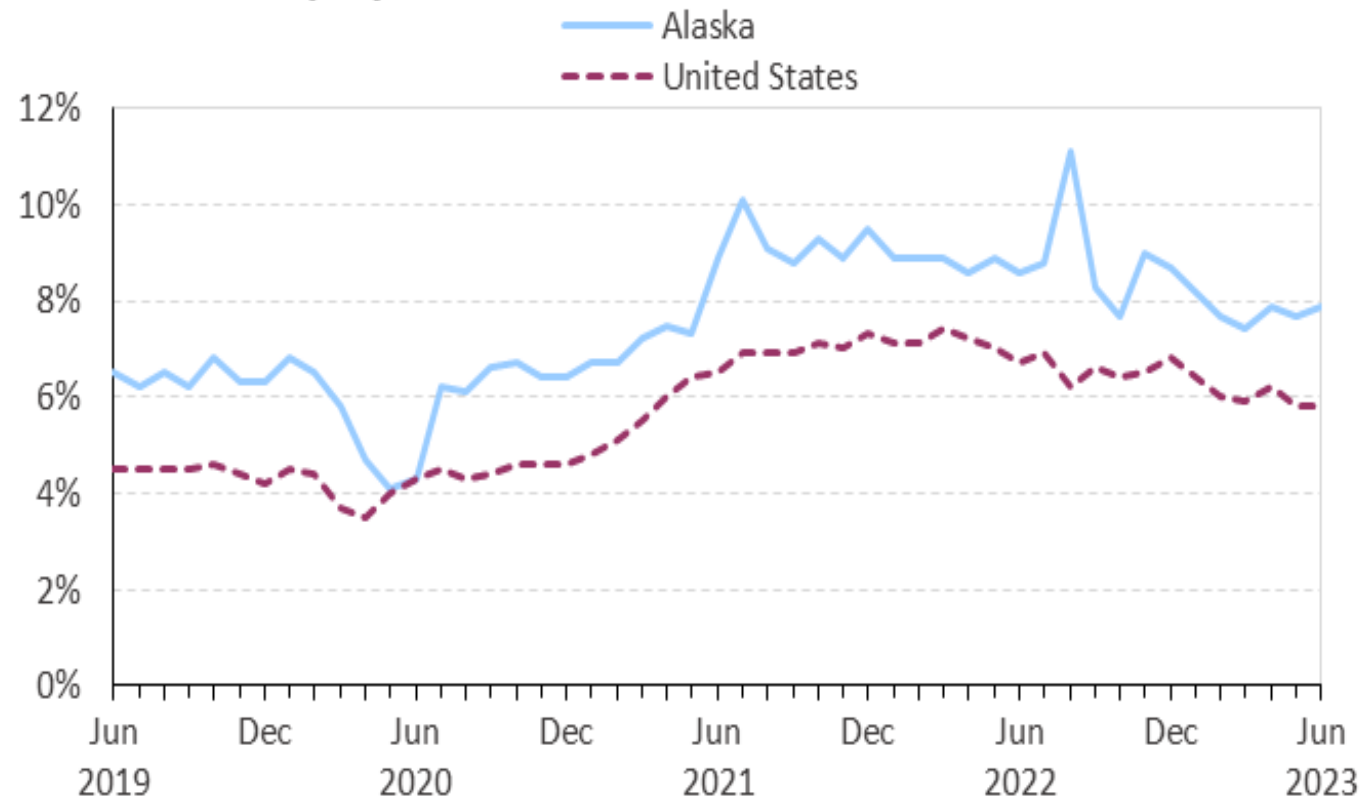


Jobs numbers are **still** below 2019



There are more jobs...

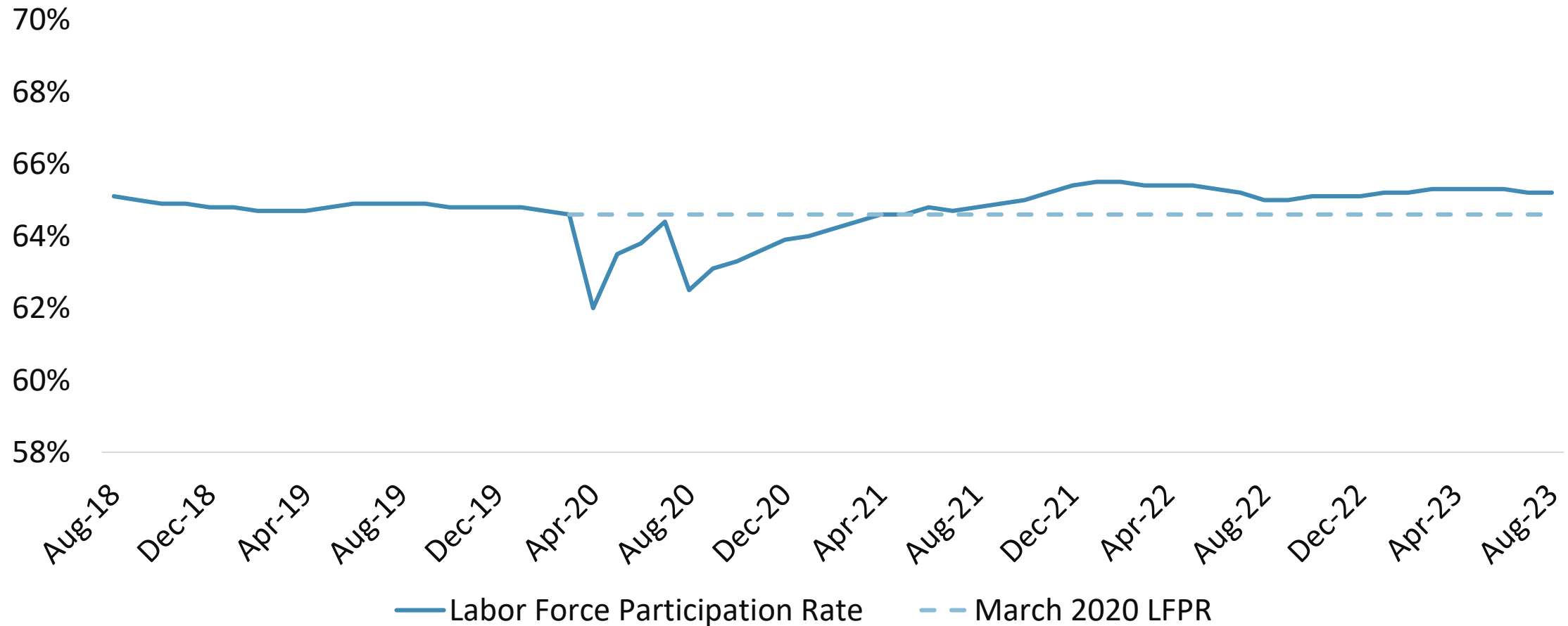
Chart 1. Job openings as a percent of employment for the United States and Alaska, seasonally adjusted



Source: U.S. Bureau of Labor Statistics.

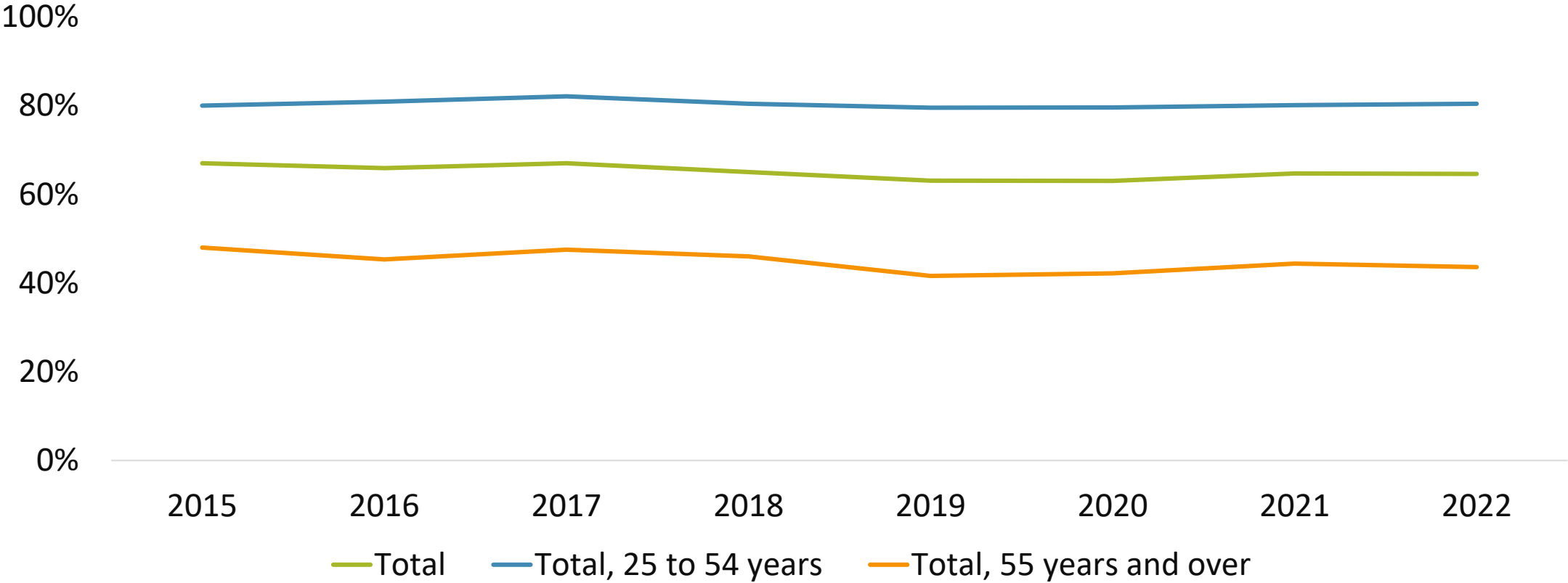
...and labor force participation is above pre-pandemic

Alaska Labor Force Participation Rate



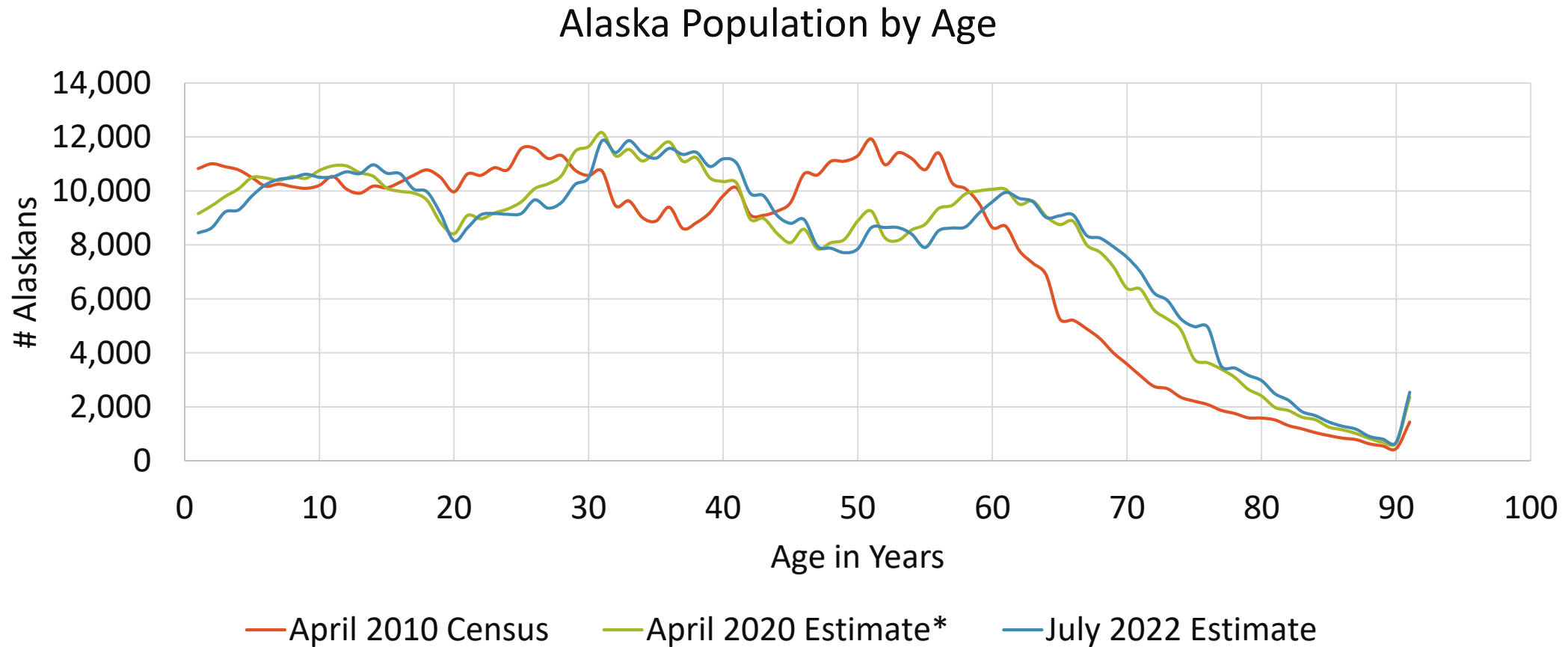
But older workers do participate at a lower rate...

Annual Alaska Labor Force Participation Rate by Age



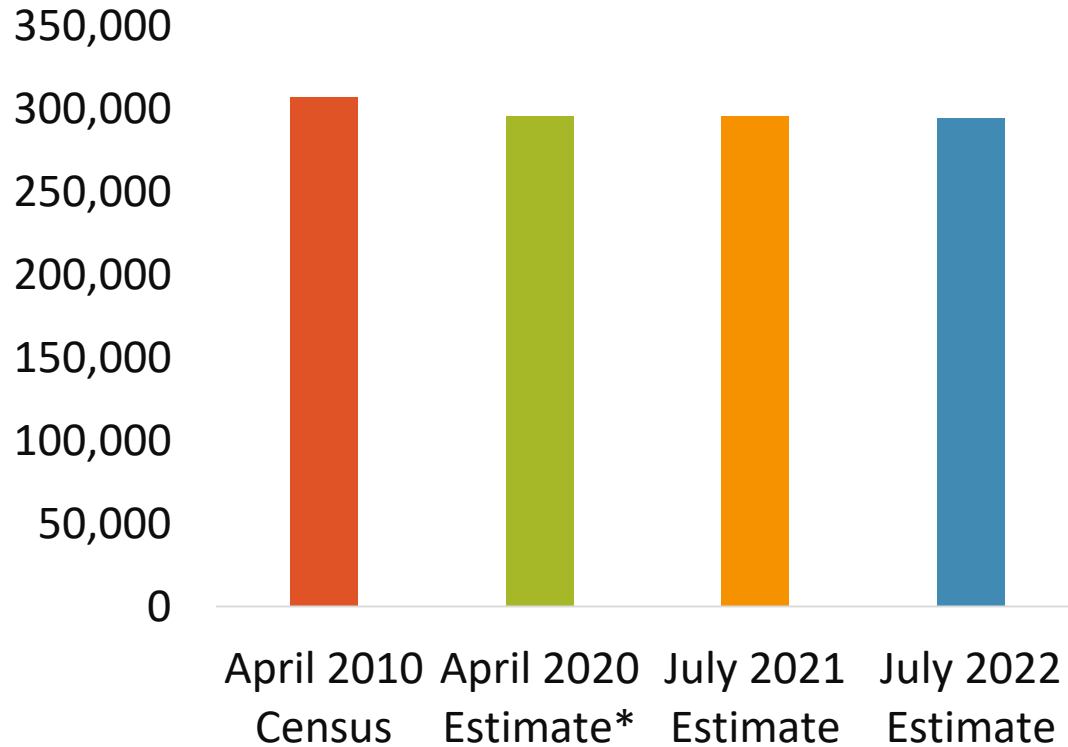
Sources: Alaska Department of Labor and Workforce Development Research and Analysis and US Bureau of Labor Statistics

...and our population is aging

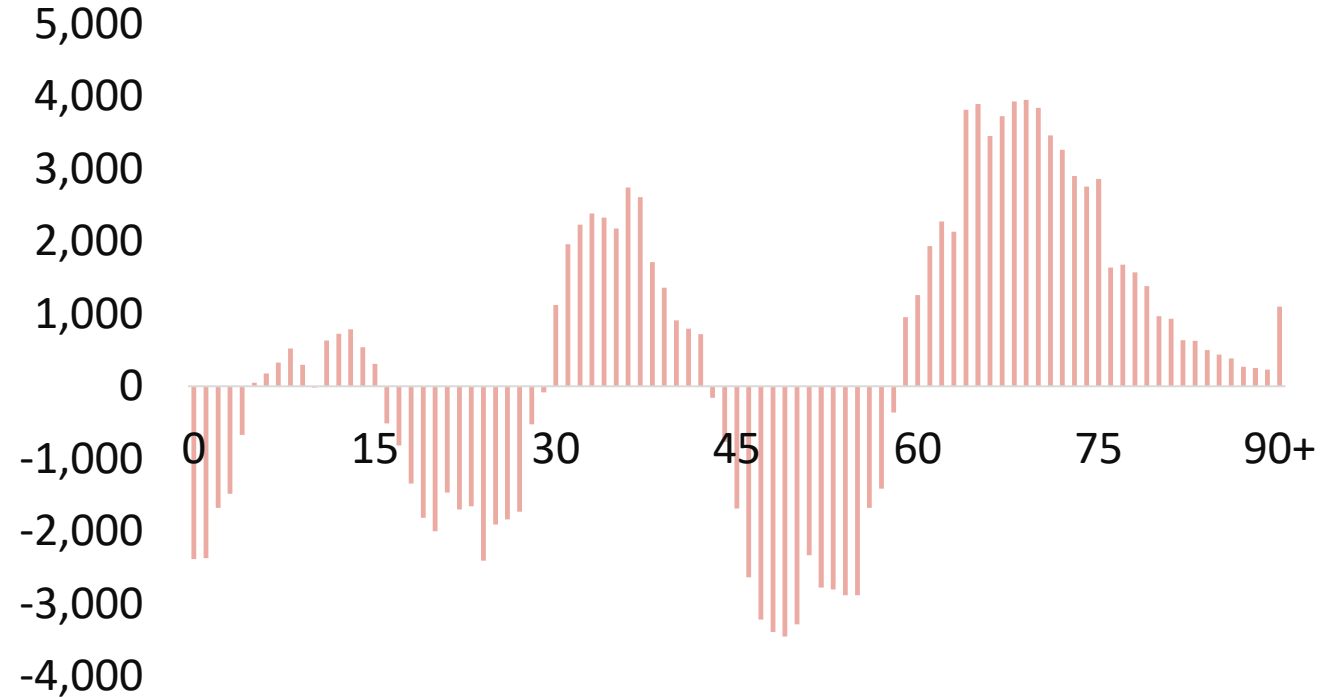


There are just not as many young people

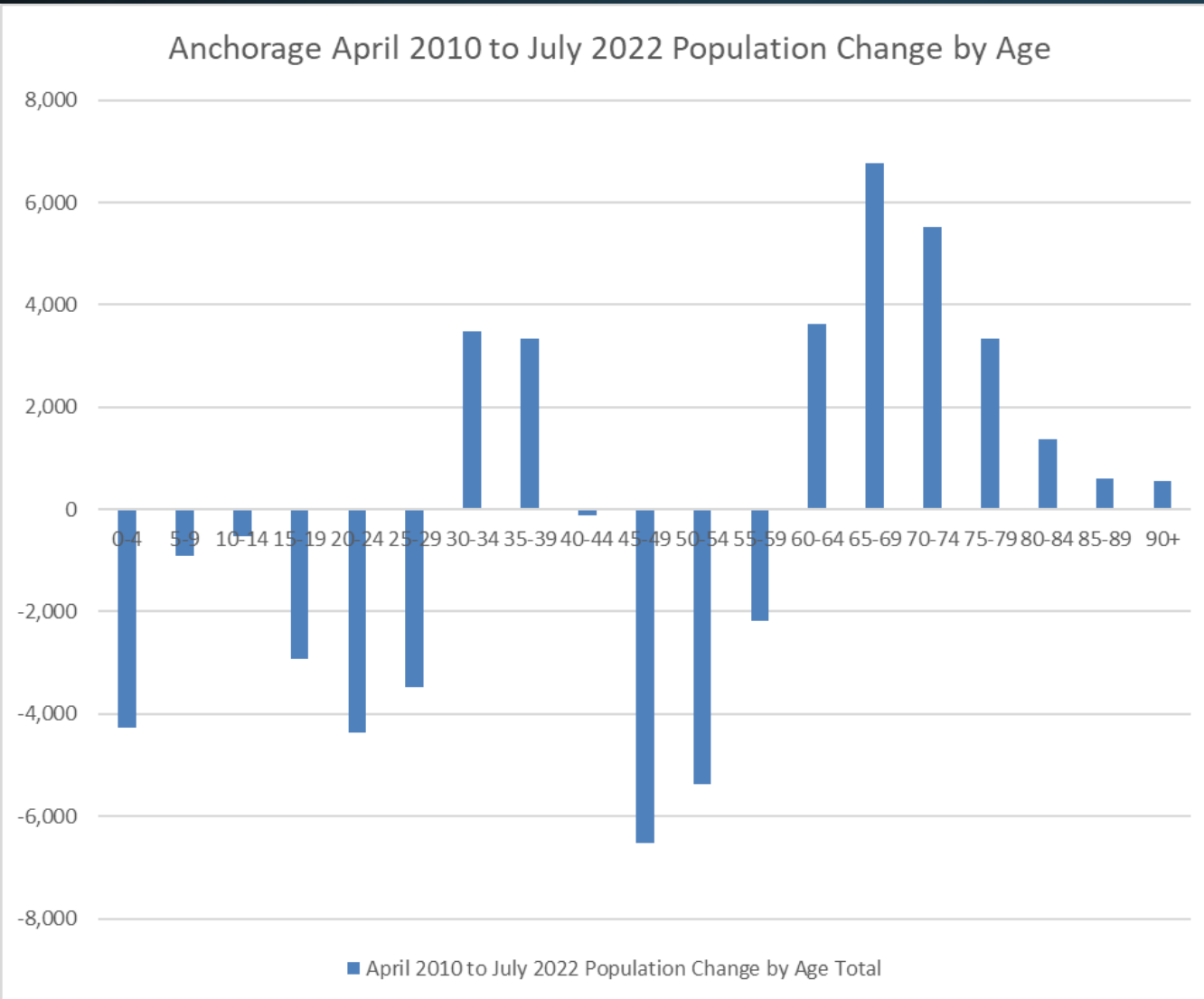
Prime Working Age Population



Change in Population 2010-2022

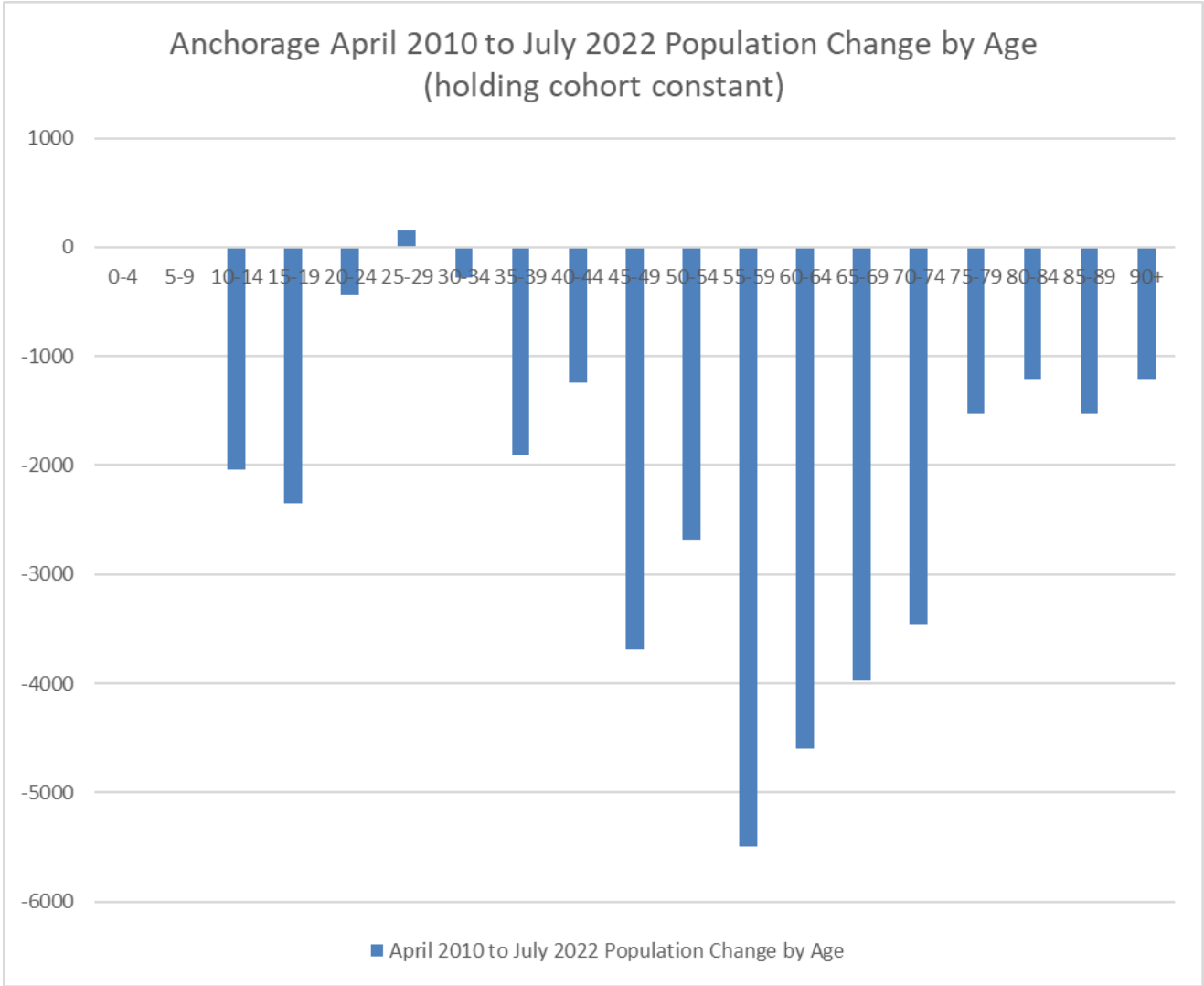


Anchorage mirrors the state in general



Sources: Alaska Department of Labor and Workforce Development Research and Analysis

We're not attracting retirees

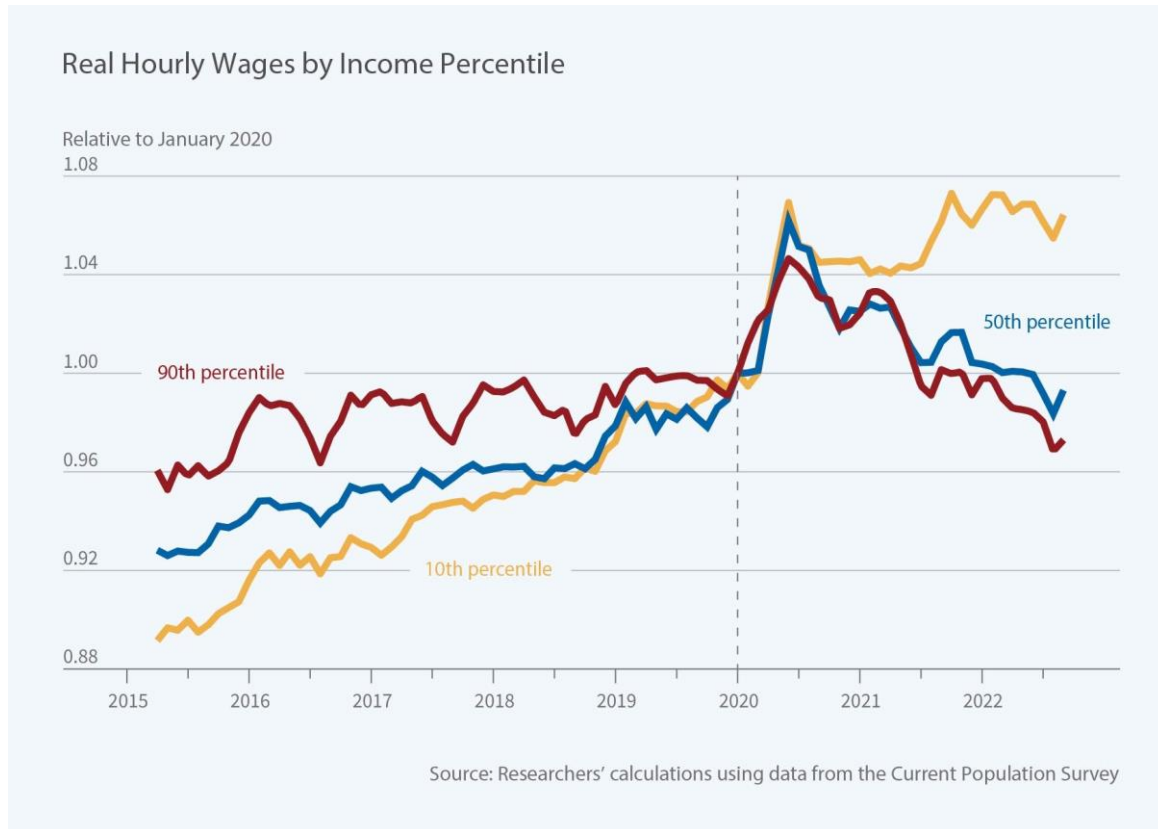


Sources: Alaska Department of Labor and Workforce Development Research and Analysis

Who is left?

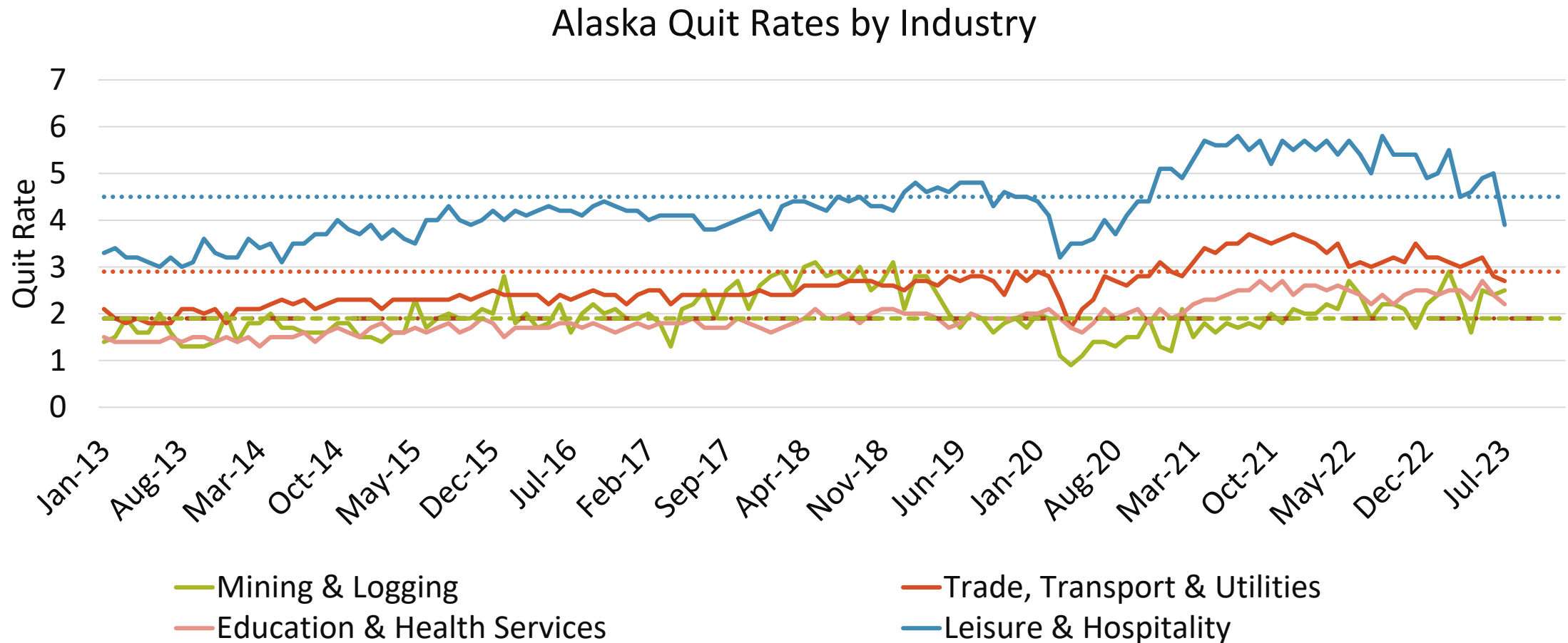
- 18% of people aged 25-54 are not in the labor force and do not want a job (parenting/school/disabled/retired)
- 2% of people aged 25-54 are not in the labor force and want a job
 - 1.2% did not search for work in the last year
 - 0.24% were not available to work now
 - 0.56% are marginally attached to the labor force

Low wage work is more competitive



- Real wages of 10th percentile rise by 6.4% from Jan 2020-Sept 2022
 - Mostly young, non-college workers
- Job-to-job transitions increased mid-2021 for this group
- Loss of employer market power allowed these workers to move to more productive jobs

Quit rates above pre-COVID in several industries



New development faces the same issues

- Oil & Gas Developments 2023-2028
 - \$14 billion dollars in investment panned over the next 5 years
 - Construction and drilling work will require an annual average 1,600 workers each year
 - Labor requirements likely higher during winter season
- Oil & Gas Projects moved into the production phase by 2028
 - Expected 300 direct jobs and \$65 million in wages by 2028
 - With multipliers new production could support 2,700 new jobs and \$215 million in wages....

Source : McKinley Research Group

... IF we can find the workers



Conclusions

- Alaska's economy is not weak
 - 2% over-the-year percent change in jobs September 2023
 - 4.1% unemployment rate in Sept 2023
- Anchorage is ok too
 - 3.5% unemployment rate
 - 1.5% over-the-year percent change in jobs September 2023
- But it is not strong relative to the Lower 48
- This has led to challenges in attracting people to the state
 - And the existing labor force is aging

- Where will workers for new jobs come from? What draws young people to Alaska?

Thank You!

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