



ALASKA ECONOMIC
TRENDS

APRIL 2024

Cost increases slowed
considerably in 2023

ALSO INSIDE

How fish processor sales, closures could affect jobs

Population patterns after COVID

FROM THE COMMISSIONER

Funding and providers that support career-ready training

By Catherine Muñoz, Commissioner Designee

Starting in the 2000s, the Alaska Legislature made significant infrastructure investments in Alaska's regional training centers. During that era, two of Alaska's primary vocational training funding programs were also established: the State Training Employment Program, or STEP, and the Technical Vocational Education Program, TVEP. Both are funded through a portion of the employee's share of the employment security tax, and TVEP is up for reauthorization this year.

Alaska's robust network of career and technical education training providers is spread across the state, providing Alaskans with opportunities to access career-ready training.

The University of Alaska is the largest training provider. With more than 200 programs in workforce development, students can earn industry-recognized certifications and degrees in two years or less. From underground or surface mine training to short-term health care certifications, the university programs are delivered through the 13 community campuses.

Numerous public and private regional training providers offer commercial driver's licenses, heavy duty mechanical certification, carpentry, and administrative assistant programs, to name just a few. These include the Fairbanks Pipeline Training Center, Alaska Technical Center in Kotzebue, Yuut Elitnaurviat in Bethel, and Northern Industrial Training in Palmer. Iisagvik College in Utqiagvik, Alaska's only tribal college, offers courses in health care, construction technology, and entrepreneurship.

AVTEC, the [Alaska Vocational and Technical Center](#) in Seward, was recently recognized along with the University of Alaska as a Maritime Education Training Center of Excellence by the U.S. Department of Transportation. AVTEC and the University of Alaska Southeast offer various certifications to start or grow a career in the maritime industry. AVTEC also offers in-demand training such as residential and building maintenance, diesel/heavy equipment technology, and culinary training.



Union and nonunion training programs deliver training through a "learn as you earn" model of apprenticeship in the construction trades, including plumbing and electrical training. The pathway to journeyman-level certification for plumbers and electricians requires 8,000 hours of training and typically takes four years.

The [Alaska Workforce Investment Board](#) plays an important role in directing training support to Alaska's programs through state and federal funding, including STEP and TVEP. Board members review and recommend resources for in-demand training programs based on Alaska's forecasted in-demand jobs. Each January, the Department of Labor's Research and Analysis team prepares a 10-year occupational forecast of job demand across all industries.

The Department of Labor and Workforce Development and the Alaska Safety Alliance, with support from the Denali Commission, are nearing the release of a new cross-industry workforce plan. Called Workforce 2030, the plan will include recommendations to improve the development of Alaska's workforce; build a talent pipeline to recruit, educate, and train Alaskans for in-demand jobs; reduce out-migration; and strengthen economic development statewide. Your input on the plan is needed! Visit www.alaskaworkforce.org to read more and find out how you can participate in an Industry Advisory Council Interest Group.

With summer approaching, this is a great time to think about acquiring new career skills for yourself or your team members. At AVTEC, our motto is "a career in under a year." To get started, reach out to a job/training counselor through the [Alaska Job Center](#) network at any of Alaska's 14 job centers.

Sincerely,

A handwritten signature in black ink that reads "Catherine Muñoz".

Contact Commissioner Designee Catherine Muñoz at (907) 465-2700 or commissioner.labor@alaska.gov.



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A drink on an Alaska cruise, photo
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and **WORKFORCE**
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Alaska inflation slowed in 2023

After two high years, inflation rate drops to 1.5 percent

By GUNNAR SCHULTZ

Similar to the U.S., Alaska's inflation rate dropped considerably in 2023 after prices rose faster than usual in 2021 and 2022.

Costs in Urban Alaska's consumer price index,¹ Alaska's only inflation measure, rose 1.5 percent last year after jumping 4.9 percent in 2021 and 8.1 percent in 2022.

While the inflation rate fell in 2023, this does not mean that prices decreased, only that prices went up less than the year before. When the inflation rate falls, or price increases slow, it's called "disinflation." Deflation is when prices drop and inflation is negative — the outlier we saw in 2020.

The price level rises over time

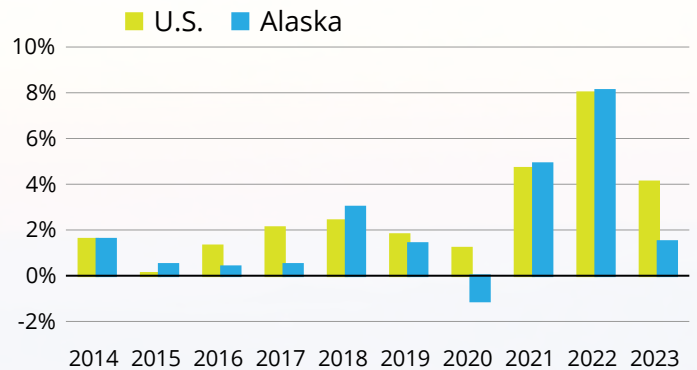
While prices in some categories did decrease last year, average prices, or "the price level," continued to rise, which is the norm. Overall prices rarely decrease from one year to the next.

The chart at the top of the next page shows how the price level in Alaska's consumer price index has increased over time relative to the base period, which is set at 100 and reflects average prices as measured from 1982 to 1984. The index value of about 260 for 2023 means that Urban Alaska's prices last year were 2.6 times higher than they were in 1982-84.

Except for 2020, when economic activity fell sharply, the price level in Urban Alaska has never declined from one year to the next, at least since 1962. That includes during other economic downturns, such as the state recessions in the late 1980s and late 2010s, and after past high inflation periods, including much of the 1970s and early 1980s as well as 1990 and 1991.

¹The CPI for Urban Alaska is measured in Anchorage and the Matanuska-Susitna Borough.

U.S. and Alaska inflation rates, 2014-23



Source: U.S. Bureau of Labor Statistics, consumer price indexes for the U.S. and Urban Alaska, CPI-U

As average prices go up over time, rather than rise in some years and fall in others, economies adjust to the new higher price levels. Wages, for example, go up to compensate for the decreases in purchasing power.

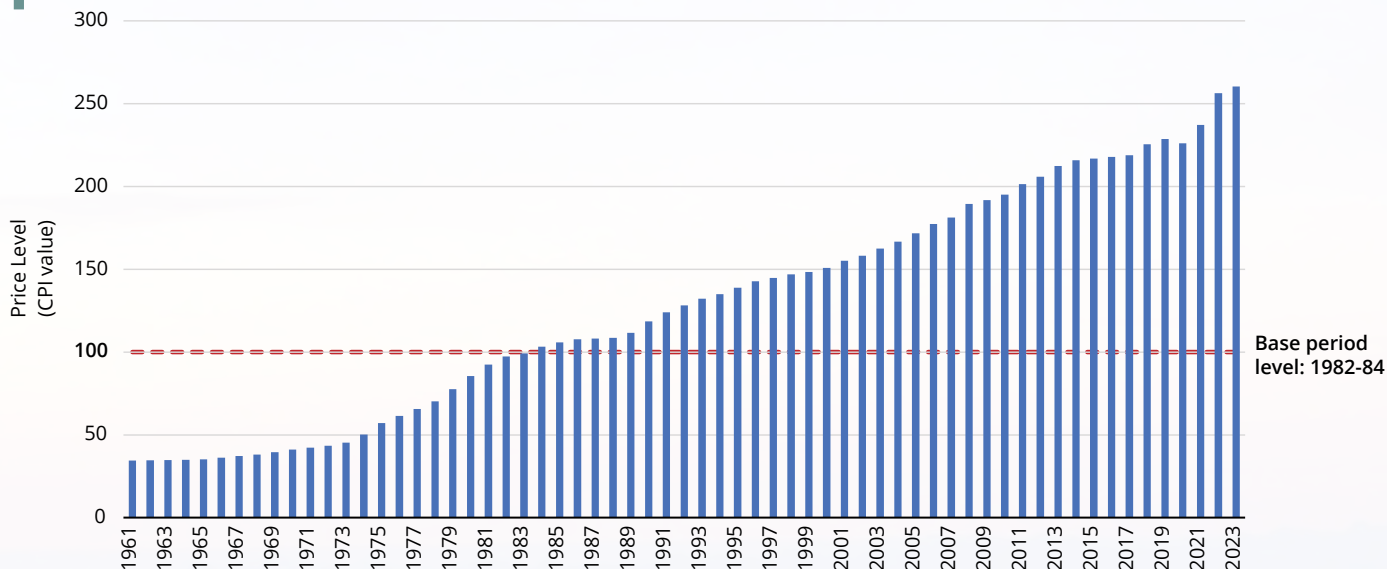
While people may be feeling sticker shock from how quickly prices shot up in 2021 and 2022, average wages rose by a similar amount in Alaska. Inflation only slightly outpaced average wage growth. Between 2019 and 2022, however, Urban Alaska's prices went up about 12 percent and wages grew 13 percent. (Wages for 2023 won't be available until later this year.)

Another reason for sticker shock may be that the jump followed Alaska's lowest decade of inflation on record, which ended in 2020. Urban Alaska prices increased almost as much from 2020 to 2023 as they did the entire preceding decade.

One value in 2022 skewed some of the numbers for this article

Before getting into the details of recent inflation, it's important to note that a data quality issue in

The overall price level* for Urban Alaska, 1961 to 2023



*The price level shows how much average prices in a given area have gone up since the base period. The base period is set at 100, which represents the price level from 1982-1984.

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

Urban Alaska’s food-away-from-home category in June 2022 affected 2022 and 2023 inflation rates. The box on page 6 explains the problem in detail, but at its root was a temporary sharp increase in the food-away-from-home category that didn’t reflect actual price changes.

While this data issue was noteworthy and requires some explanation, especially where this article talks about food and beverages, in the end, it probably overstated Alaska’s annual rate by about one percentage point in 2022 and understated it by a similar amount in 2023.

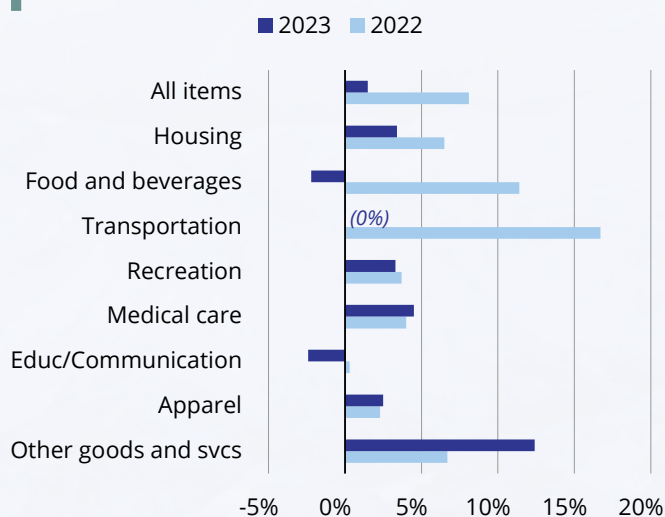
Groceries, transportation, and housing drove slower inflation

Alaska’s inflation rate eased throughout most of 2023, a slowing that began in late 2022. Prices in February 2023 were up 4.3 percent from the previous February but just 1.1 percent higher over the year in October and 1.8 percent in December.

The price level rose slower last year because of flat transportation costs and falling food and beverage prices as well as slower housing cost increases.

Transportation costs held steady in 2023 after jumping almost 17 percent for two years in a row.

Urban Alaska inflation by category



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

A data quality problem affected some Alaska numbers in 2022 and 2023

The U.S. Bureau of Labor Statistics builds consumer price indexes using weighted averages of the smaller indexes they contain, so one category's changes affect all the broader indexes it falls under.

Urban Alaska's CPI had a data collection and imputation issue in June 2022 that produced an artificially high index value in the food-away-from-home category for that month and for the year. Because food away from home falls under the broader food and beverages category, the anomaly also drove up the

values for that category and the overall CPI for June and 2022. Overstated 2022 index values led to overstated inflation rates in 2022 and understated rates in 2023 to varying degrees, with the June rate for the food-away-from-home category affected most.

It appears the errant value overstated Urban Alaska's 2022 inflation rate by about one percentage point, then understated 2023's rate by about the same amount and by more in the related categories, such as food and beverages.

Over that period, transportation prices rose faster than any of the seven other major cost categories in the CPI, and by a wide margin. Transportation costs also rose more in those two years than any other year on record, at least since 1972 when they were first measured.

Within the transportation category, the prices of gasoline and used cars and trucks both dropped after rising sharply in 2021 and 2022. New vehicle prices rose at a rate similar to 2022 (about 3 percent).

Food and beverage costs registered a decrease in 2023 after a record rise in 2022. Like transportation, food prices also rose more than overall inflation in 2021 and 2022.

Food inflation rates might have been lower by multiple percentage points in 2022 and correspondingly higher in 2023 had it not been for the data issue mentioned earlier (see the box above), but it's clear that food prices rose much faster than usual in 2022 and little if any in 2023, at least overall.

The cost of groceries, or "food at home," which accounts for about two-thirds of food and beverage costs and was not affected by the data problem, rose 7.5 percent in 2022. This was a bigger jump than any year since the late 1970s.

Grocery prices then fell in 2023 (-1.3 percent), driven by a significant drop in the meat, poultry, fish, and eggs category and smaller price decreases in the cereals and bakery products category and "other," which includes, snacks, candy, and butter/margarine. Inflation in every food-at-home category was down from 2022.

For food *away* from home, though, the months not affected by the data problem suggest that in

U.S., Alaska inflation by category

Expenditure category, 2023	U.S.	Alaska
All items	4.1%	1.5%
Housing	6.4%	3.4%
Food and beverages	5.7%	-2.2%
Transportation	0.2%	0%
Recreation	4%	3.3%
Medical care	0.5%	4.5%
Education and communication	1%	-2.4%
Apparel	2.8%	2.5%
Other goods and services	6.1%	12.4%

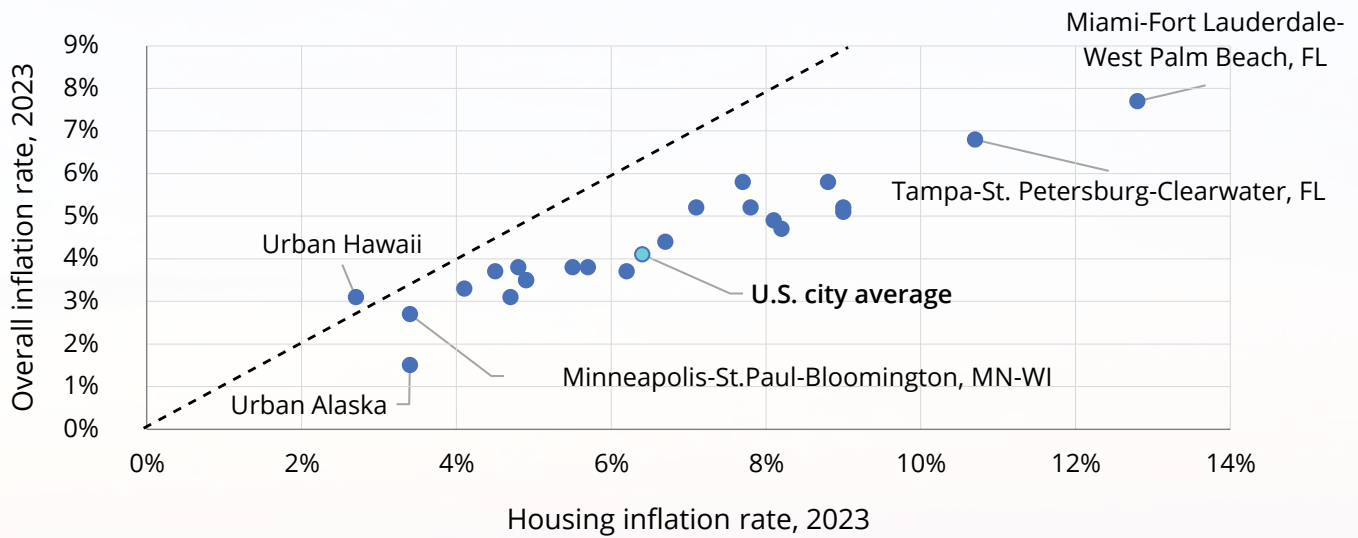
Source: U.S. Bureau of Labor Statistics, consumer price indexes for the U.S. and Urban Alaska, CPI-U

actuality, the cost of dining out increased more than usual in both 2022 and 2023. Compared to groceries, food away from home is more sensitive to changing labor costs in bars and restaurants.

In contrast, housing costs increased more than usual for the second year in a row, but at a slower pace. Housing costs in the CPI are based mostly on rents and a calculation for homeowners called "rental equivalencies."

The slowdown in housing inflation from 6.5 percent in 2022 to 3.4 percent was less pronounced than for the previous two categories, but because housing represents nearly 40 percent of Alaska's consumer price index, it also played a major role in lowering Urban Alaska's overall inflation rate last year.

On the other hand, housing's weight and continued price growth made it the single largest driver of inflation for 2023. If we exclude "shelter" (which is the lion's share of housing costs) from 2023's calculations, the remainder of the index shows total inflation of just a few tenths of a percentage point.



Overall and housing inflation rates for U.S. and metro areas, 2023

Source: U.S. Bureau of Labor Statistics consumer prices for U.S. metro areas and the U.S.

Metro area	Overall inflation	Housing inflation
Miami-Fort Lauderdale-West Palm Beach, FL	7.7%	12.8%
Tampa-St. Petersburg-Clearwater, FL	6.8%	10.7%
Seattle-Tacoma-Bellevue, WA	5.8%	7.7%
Detroit-Warren-Dearborn, MI	5.8%	8.8%
Dallas-Fort Worth-Arlington, TX	5.2%	7.1%
Phoenix-Mesa-Scottsdale, AZ	5.2%	9.0%
Denver-Aurora-Lakewood, CO	5.2%	7.8%
San Diego-Carlsbad, CA	5.1%	9.0%
Atlanta-Sandy Springs-Roswell, GA	4.9%	8.1%
Riverside-San Bernardino-Ontario, CA	4.7%	8.2%
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	4.4%	6.7%
U.S. city average	4.1%	6.4%
New York-Newark-Jersey City, NY-NJ-PA	3.8%	4.8%
St. Louis, MO-IL	3.8%	5.5%
Baltimore-Columbia-Towson, MD	3.8%	5.7%
San Francisco-Oakland-Hayward, CA	3.7%	4.5%
Boston-Cambridge-Newton, MA-NH	3.7%	6.2%
Houston-The Woodlands-Sugar Land, TX	3.5%	4.9%
Los Angeles-Long Beach-Anaheim, CA	3.5%	4.9%
Chicago-Naperville-Elgin, IL-IN-WI	3.3%	4.1%
Wash.-Arlington-Alexandria, DC-VA-MD-WV	3.1%	4.7%
Urban Hawaii (Honolulu)	3.1%	2.7%
Minneapolis-St. Paul-Bloomington, MN-WI	2.7%	3.4%
Urban Alaska (Anchorage/Mat-Su)	1.5%	3.4%

Housing and food drove the gap between Alaska, U.S.

While U.S. and Alaska inflation rates both slowed in 2023 after reaching their highest points since the early 1980s, prices increased far less in Alaska last year (1.5 percent versus 4.1 percent nationally).

The gap would have been smaller if Alaska's rate hadn't been slightly understated in 2023, but it still would have been notable because housing and food costs rose faster nationally than in Urban Alaska.

Increased housing costs were also the single largest driver of national inflation in 2023, given housing's weight and the fact that U.S. housing inflation significantly outpaced overall inflation. In contrast to Alaska, though, U.S. housing inflation fell by less than one percentage point from 2022 and at 6.4 percent in 2023 was significantly higher than Alaska's 3.4 percent.

Prices for food and beverages, a category with less weight in the index, jumped almost 6 percent nationally but fell in Alaska (-2.2 percent). The gap would have again been smaller without the data quality issue in Alaska's index, perhaps by a few percentage points, but it didn't appear to be the main driver of the difference — it didn't affect the grocery category, where prices rose about 5 percent nationally while falling about 1 percent in Alaska.

While the reasons for this large difference aren't entirely clear, location may have been a factor if

Continued on page 18

Processing sales and closures

How plant changes may affect seafood processing jobs

By DAN ROBINSON and SAM TAPPEN

A wave of seafood processing facilities from False Pass to Ketchikan were either put up for sale or scheduled to close during all or part of 2024, beginning with a press release from Trident Seafoods in early December 2023 and ending with an announcement from OBI Seafoods at the end of January.

Trident announced it was seeking buyers for its processing and related assets in Kodiak, Ketchikan, Petersburg, False Pass, South Naknek, and Chignik. The company will also significantly scale back its winter operations in Kodiak this year.

Peter Pan Seafoods said it would close its King Cove plant for the 2024 “A” pollock season, which runs from January through April.

OBI will not open its summer fish processing plant in Larson Bay, on Kodiak Island, this year but said it would still buy salmon from area harvesters.

recent years, paying more than \$600 million in annual wages. Its importance to the state’s economy is amplified by the market it provides to the tens of thousands of Alaska fishermen working mainly from coastal communities whose economies depend on the seafood industry.

The exhibit below puts the number of jobs that will be affected by the announced changes into the context of the seafood processing industry’s total employment each month. The processing facilities that will be sold or closed, temporarily or permanently, represent about 15 percent of the state’s seafood processing jobs at the yearly peak — typically July — so the potential disruption is not small.

Sales are already in progress for many of the plants — Trident announced in March, for example, that sales are nearly final for its False Pass, Petersburg, and Ketchikan plants — which will mitigate the loss of processing capacity and buyers for the fishing fleet, but it’s clear market forces have created a difficult environment for processors and harvesters.

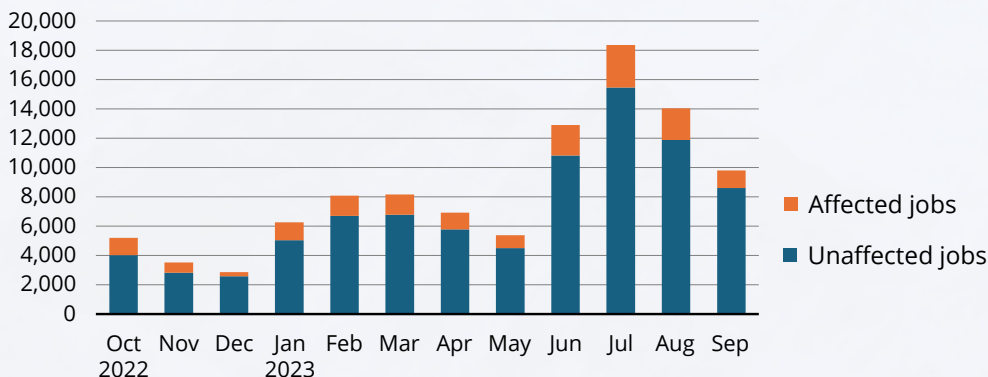
How much of the processing industry will be affected?

Seafood processing has employed nearly 20,000 people at the yearly salmon processing peak in

The market forces affecting fish processing in the last few years

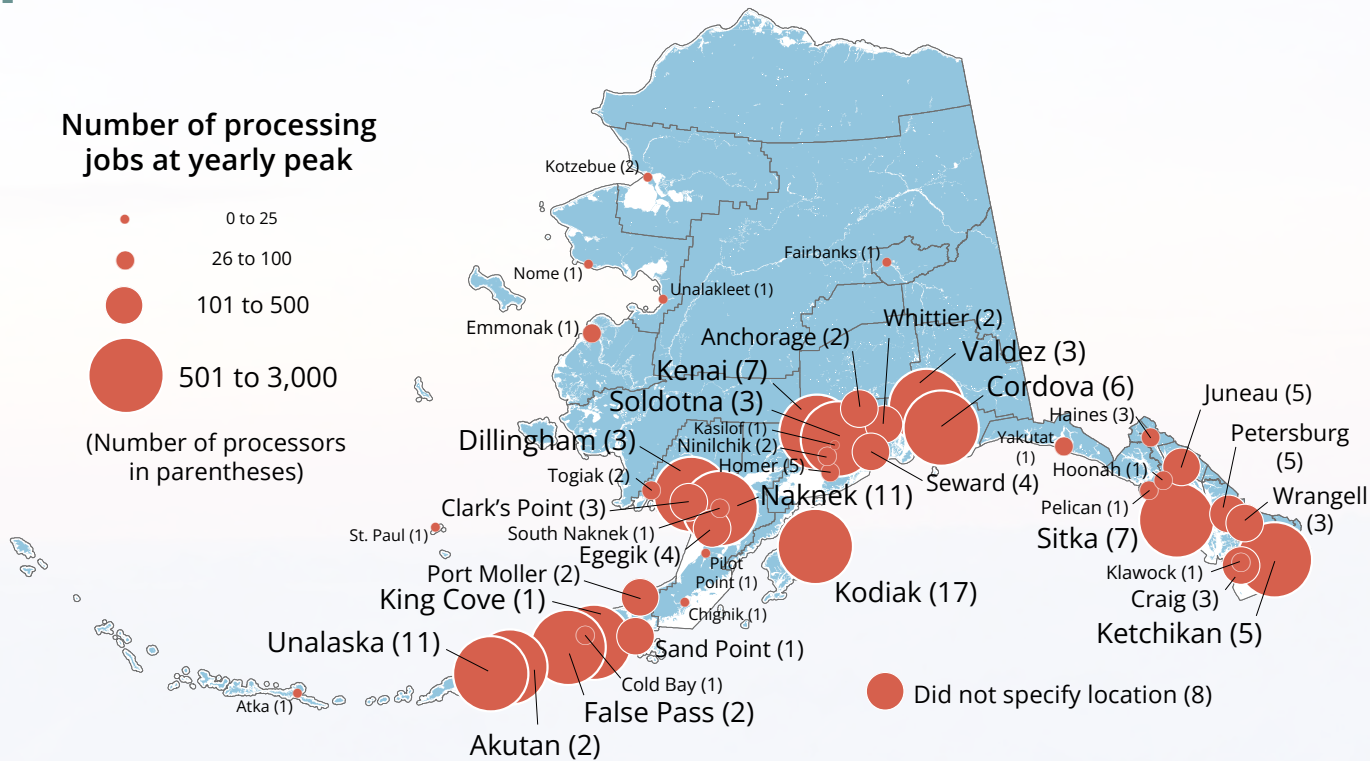
A few months before the announcements, the Alaska Seafood Marketing Institute’s Board of Directors

How many seafood processing jobs are in affected plants



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

Seafood processing employment and number of facilities by area



Note: Based on employment data from fourth quarter 2022 to third quarter 2023. Does not include at-sea processors that largely fish outside Alaska waters.

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

identified some of the market forces that have been working against harvesters and processors in Alaska for the last few years.

First, especially large pink salmon harvests in Alaska and much larger harvests in Russia combined with the low value of the Russian ruble have driven salmon prices down. Additionally, the ongoing trade war with China has caused a large drop in U.S. exports to Chinese buyers. The result has been a large increase in supply and a decrease in demand.

Other factors include higher inflation, which has further reduced demand for Alaska seafood in U.S. restaurants and stores, where it's often considered a luxury. Higher interest rates — the result of the Federal Reserve's fight to bring inflation down — have made it harder for processors to secure financing that would allow them to hold more products in inventory while they wait for better market prices.¹

These combined forces have led to historically low prices paid to fishing crews and processors across multiple species harvested in Alaska.

¹"Extraordinary Circumstances," *National Fisherman*, Oct. 19, 2023

Alaska's broad seafood processing infrastructure

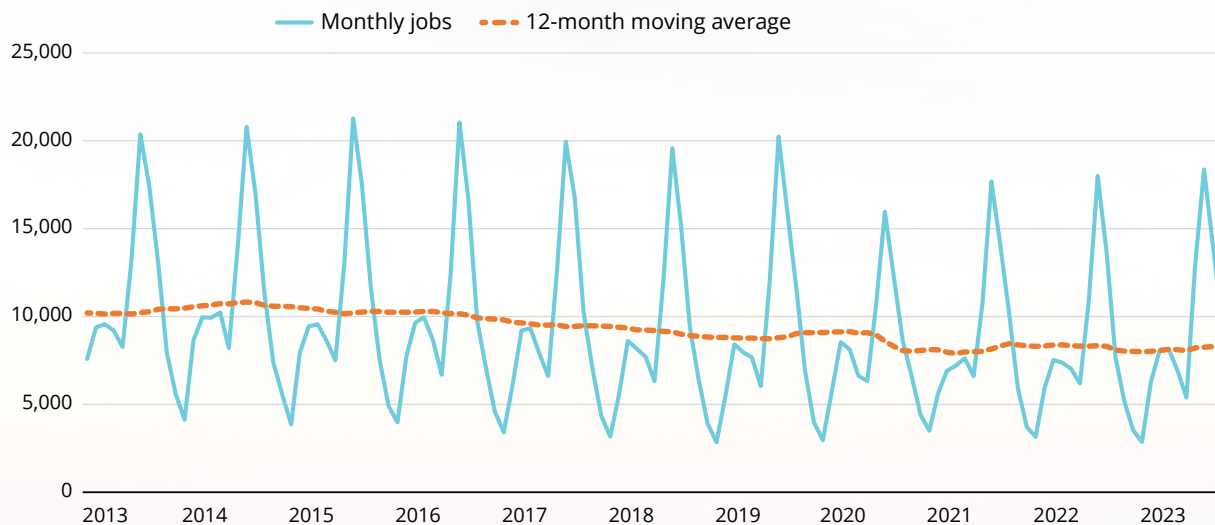
In the most recent year available, 149 facilities reported seafood processing employment, with nearly all located in the Southwest, Gulf Coast, and Southeast regions. This included eight floating processors that didn't report the specific location of their operations. (See the map above.)

Kodiak had the most at 17, partly because Kodiak catches and processes so many types of fish and seafood throughout the year. But like many other areas, Kodiak's peak is tied to the late summer salmon runs.

Processing jobs were already on a downward trajectory

Some of the disruptions to Alaska's fisheries and seafood processing markets have cropped up in just the last few years — Russia dumping its

Seafood processing's seasonality and the longer-term downward trend



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

oversupply of salmon into world markets and the trade war with China and consequent drop in demand — but processing employment has been on a downward trend for much of the last decade.

As the chart above shows, by 2019, 2015's summer peak of nearly 21,300 jobs had gradually fallen by about 1,000.

The industry showed relative resilience during the pandemic years, with peak summer employment dropping to just under 16,000 in 2020 and then rebounding to nearly 17,700 jobs in 2021. The rebound continued over the next two years but lost steam. The July peak in 2023 was almost 3,000 jobs below 2015.

Few industries in the world are as seasonal as

seafood processing in Alaska, although fish are processed year-round. The low point is almost always December, at about one-sixth of July's employment level.

Averaging job numbers over the full year gives a better sense of the activity across all types of processing, from salmon, groundfish, and halibut to herring and shellfish. Using that measure, processing employment reached its decade high in 2014 at more than 10,800. As of September 2023, the number was about 8,500.

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Post-COVID population trends

After the disruptions, Alaska returned to previous patterns

By DAVID HOWELL

COVID briefly disrupted Alaska's population trends, driving up deaths for about two years and slowing migration losses as people stayed put. As we've moved further from 2020, though, pre-pandemic demographic patterns have resumed.

Net migration losses continued over the past two years and natural increase — births minus deaths — was just enough to generate a tiny amount of overall population growth (about 0.04 percent last year). The population is changing, however, as we continue to age in place.

Surge in deaths eased but will continue to rise; births decline

Deaths surged during the pandemic, rising by about 800 in 2020-21 from the previous year and

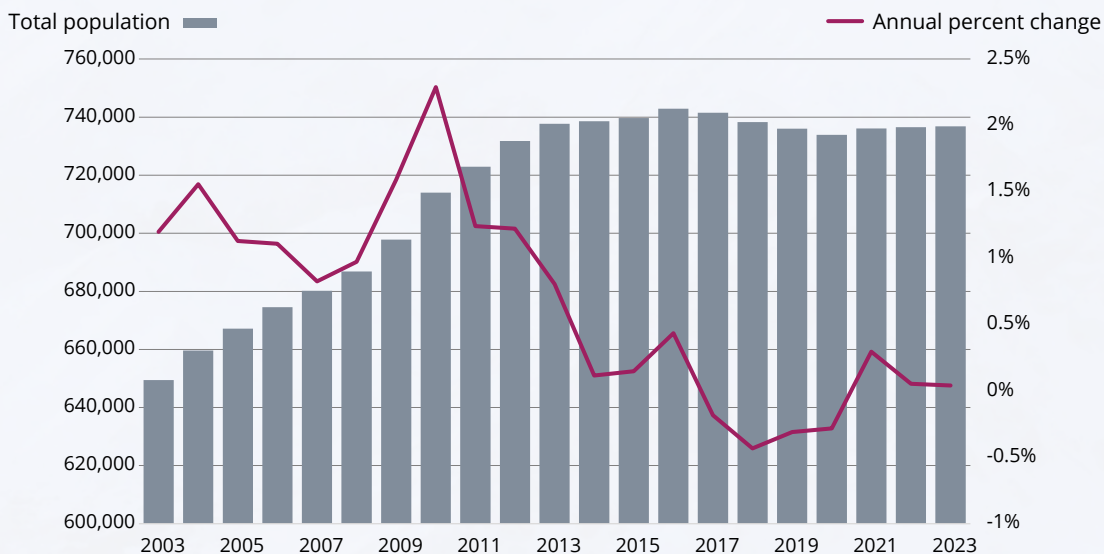
by 1,000 the year after that. During the most recent year, 2022-23,¹ deaths came down slightly but were still roughly 1,000 above the last pre-pandemic year. Deaths may decline a bit more in the short term but will climb again with more Alaskans entering the oldest age groups.

Unlike deaths, the pandemic had little effect on births. The number of annual births continued to decline, but not as rapidly as it had during the last decade. Much of the decline came from the decreasing number of Alaskans in their prime child-bearing years.

Alaska's birth rates have stabilized in recent years — that is, the average number of children per woman — after bottoming out in 2020 and then ticking up slightly, to 1.9. The U.S. fertility rate was 1.7 in 2022, also about the same as the year before. Both are below what's needed to replace the current population, which is 2.1 children per woman.

¹Population data span one year but are measured from July to July. 2022-2023 is the most recent year available.

Total Alaska population and yearly percent change, 2003 to 2023



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

Alaska currently gains about 3,500 residents a year from natural increase, which is less than half the natural increase of a decade ago.

Fewer people are moving to Alaska

Migration also appears to be returning to its pre-pandemic patterns. Some moves were put on hold in 2020 and 2021, reducing migration both into and out of Alaska, but once COVID restrictions were lifted, both increased.

Over the most recent year, however, fewer people left Alaska than they had pre-pandemic. In-migration was on par with the three years leading up to 2020.

While Alaska has lost population for 11 straight years to net migration (in-movers minus out-movers), the drivers of the losses have changed over time.

When the negative streak started, it was mainly more people leaving Alaska. Many who moved here during the Great Recession of the late 2000s left when the economy improved in the Lower 48, and that outflow continued from 2012 to 2017.

After 2017, the outflow began to slow but the number of people moving in also decreased. During the most recent period, 2018-2023, Alaska had a much lower-than-average number of out-movers but saw even fewer people coming in.

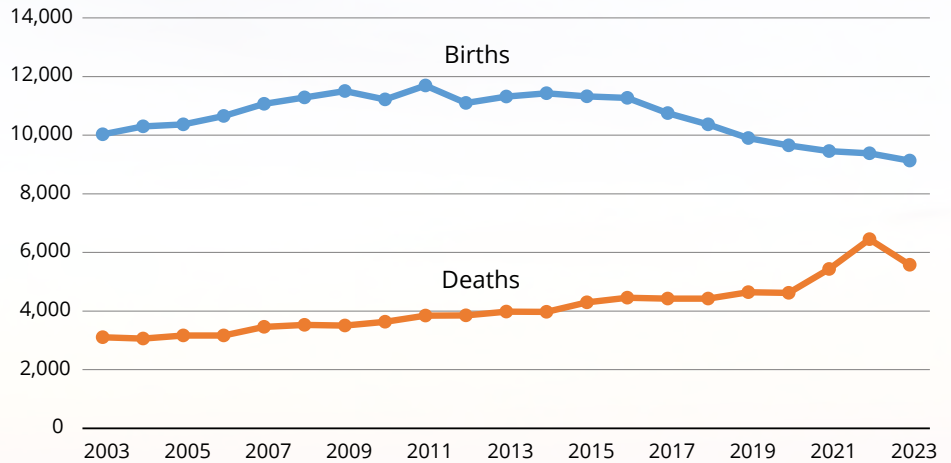
While we can't say for certain why fewer people are moving to Alaska, we do have an idea who they are.

The loss at working ages and how the age structure is changing

Working-age people have historically kept Alaska's net migration positive, especially the younger ones. In the past, Alaska has usually gained migrants aged 20 to 39, but from 2018 to 2023 only the 25-to-34 group was positive and the gains had gotten smaller.

The lack of working-age in-movers also meant

Rise in deaths and a decline births, 2003 to 2023



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

fewer children relocated to Alaska.

Overall migration for ages 40-plus has been fairly steady over time, and it has always been negative, especially post-retirement age. Some losses at older ages are bigger numerically now because Alaska has more people in those age groups.

Alaska's age structure has changed drastically over the past decade, primarily through the large baby boomer generation getting older. In the 1980s and 1990s, many boomers moved to Alaska for work and stayed. This group started turning 65 in 2010, more than doubling Alaska's senior population between 2009 and 2023 (from 52,100 to 110,500).

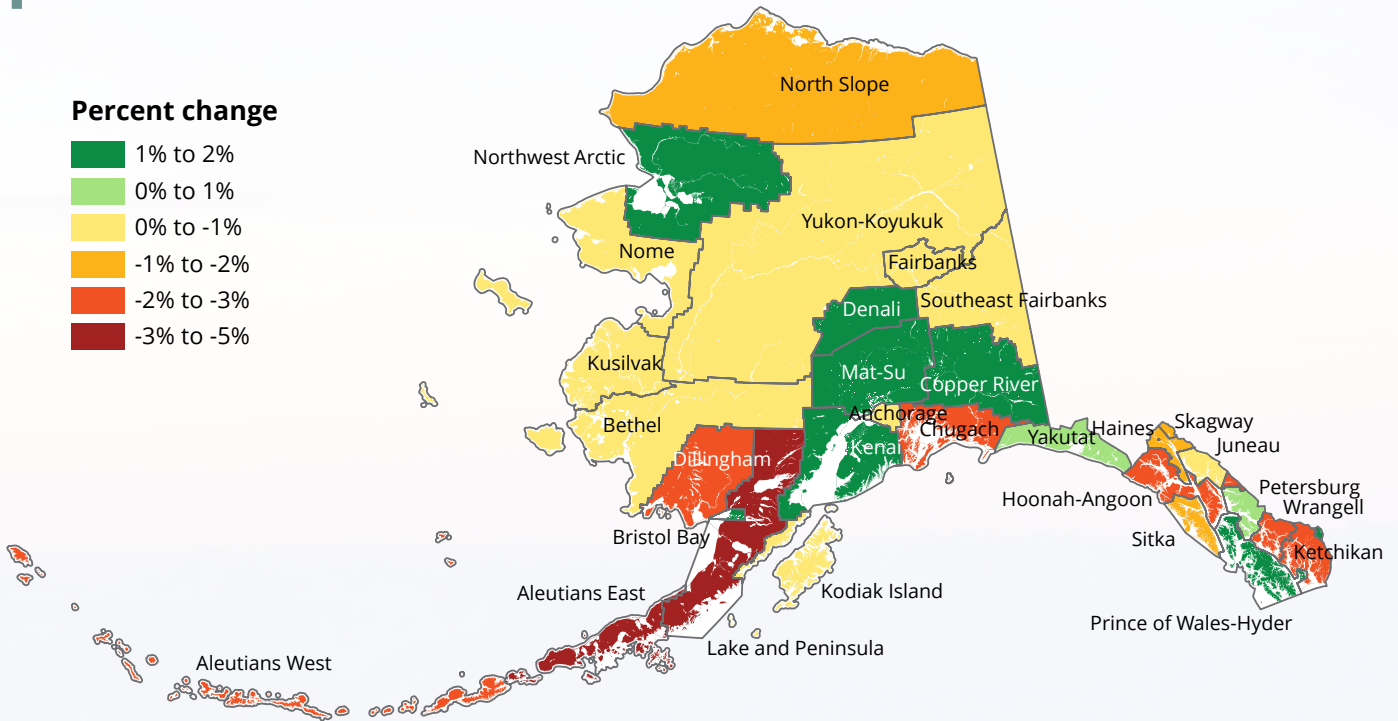
Early in the last decade, baby boomers aging out of their working years were replaced by millennials maturing into them and others moving to Alaska for work. However, that shifted as our net gain of working-age migrants stopped, leading to a decrease in working-age people.

Similarly, with fewer people in the age groups having children, the youth population has decreased.

Multiple factors will continue to shrink the school-age population

In addition to the working-age group, the school-age and younger population is on a downswing. Because births have been declining for nine years, the school-age population won't grow through kids aging into it any time soon. The youth population was buoyed for a while by millennials having

Percent gain or loss in population by Alaska area, 2022 to 2023



children, but as their children continue to graduate high school, the school-age population will continue to fall unless migration trends change.

In 2023, Alaska had 51,200 teens between 13 and 17 and 44,600 children from birth to age 4, meaning fewer young kids will replace those teens in the coming years. Alaska’s school-age population is projected to decline by 5 percent, or 6,600, over the next five years as the oldest school-age kids are replaced by those who are now younger than 5. If current migration trends continue, the decline will be even bigger, as Alaska lost population at all ages under 18 last year.

While birth rates have stabilized, as explained earlier, birth counts continue to decrease with fewer people in their prime child-bearing years than Alaska had 10 years ago. This could change in the coming years as larger cohorts start entering their high-fertility years, but that will also depend heavily on migration patterns.

Growth is concentrated in Southcentral

Although Alaska grew slightly overall during the last three years, most parts of the state lost population. From 2022 to 2023, only the Anchorage/Matanuska-Susitna and Gulf Coast regions grew.

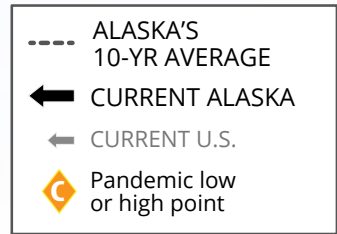
Kenai and Mat-Su both grew through natural increase, but most

Area	Growth rate
Lake and Peninsula Borough	-4.4%
Aleutians East Borough	-3.4%
Dillingham Census Area	-2.4%
Hoonah-Angoon Census Area	-2.2%
Wrangell, City and Borough	-2.2%
Ketchikan Gateway Borough	-2.2%
Aleutians West Census Area	-2.1%
Chugach Census Area	-2.1%
Haines Borough	-1.8%
Skagway Borough, Municipality	-1.7%
Sitka, City and Borough	-1.5%
North Slope Borough	-1.1%
Kodiak Island Borough	-0.9%
Juneau, City and Borough	-0.9%
Fairbanks North Star Borough	-0.9%
Nome Census Area	-0.6%
Yukon-Koyukuk Census Area	-0.5%
Kusilvak Census Area	-0.5%
Southeast Fairbanks Census Area	-0.1%
Bethel Census Area	-0.1%
Anchorage, Municipality	-0.1%
Petersburg Borough	0.3%
Yakutat, City and Borough	0.6%
Denali Borough	1.0%
Prince of Wales-Hyder Census Area	1.1%
Bristol Bay Borough	1.1%
Kenai Peninsula Borough	1.5%
Northwest Arctic Borough	1.5%
Copper River Census Area	1.8%
Matanuska-Susitna Borough	1.9%

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

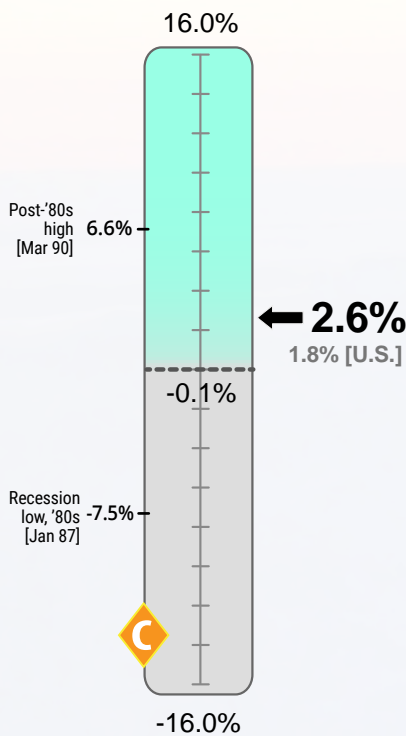
Continued on page 18

Gauging The Economy



Job Growth

February 2024
Over-the-year percent change

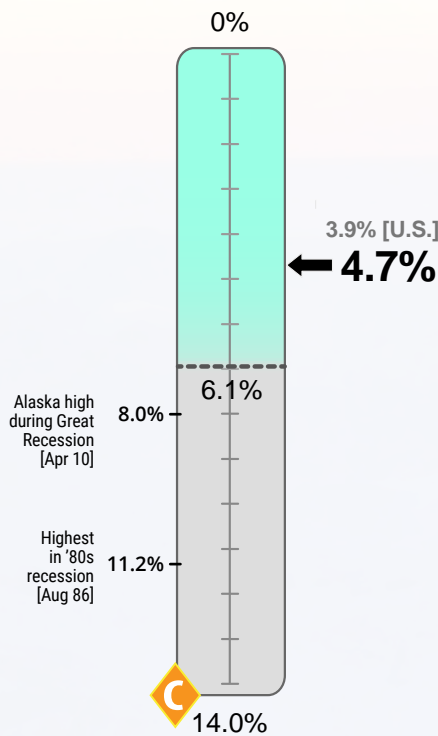


Alaska's February employment was 2.6 percent above last February but still 1.5 percent above February 2020, an important reference point because that was just before the pandemic hit.

National employment, which was up 1.8 percent from February 2023, was 3.7 percent above its 2020 level.

Unemployment Rate

February 2024
Seasonally adjusted

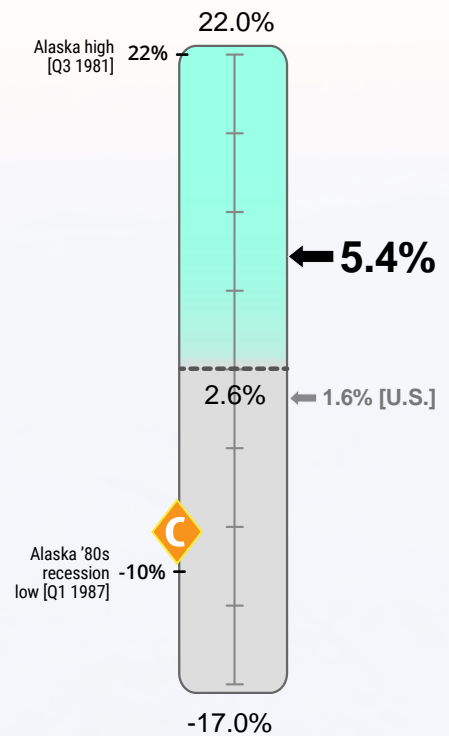


Alaska's unemployment rate has been less useful as an economic measure during the pandemic and its aftermath because of data collection difficulties.

It's clear, however, that unemployment rates in Alaska and the U.S. are historically low and that the shortage of workers is a bigger economic challenge than unemployment.

Wage Growth

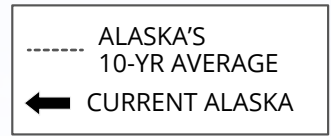
3rd Quarter 2023
Over-the-year percent change



After falling hard during the pandemic, total wages paid by Alaska employers have bounced back and show strong growth.

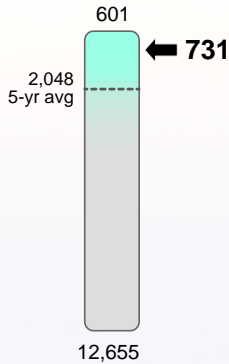
Wages were up 5.4 percent from year-ago levels in the third quarter of 2023 and 19.7 percent above third quarter 2019.

Gauging The Economy



Initial Claims

Unemployment, week ending March 9, 2024*

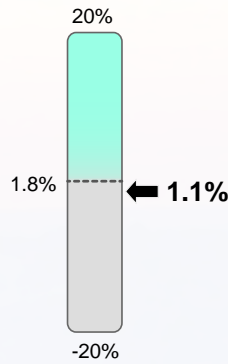


Unemployment claims jumped during the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads have fallen, and new claims for benefits are well below their long-term average.

*Four-week moving average ending with specified week

GDP Growth

3rd Quarter 2023
Over-the-year percent change*

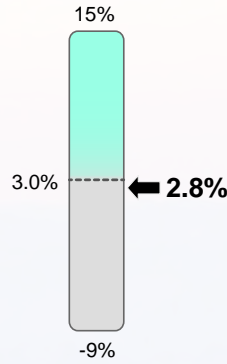


Gross domestic product is the value of the goods and services a state produces. It's an important economic measure but also a volatile one for Alaska because commodity prices influence the numbers so much — especially oil prices.

*In current dollars

Personal Income Growth

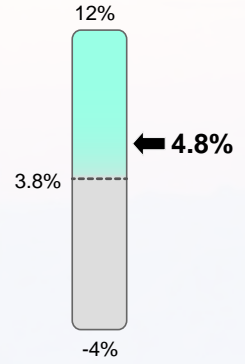
3rd Quarter 2023
Over-the-year percent change



Personal income consists of three main parts: 1) wages and salaries; 2) dividends, interest, and rents; and 3) transfer payments (payments from governments to individuals).

Change in Home Prices

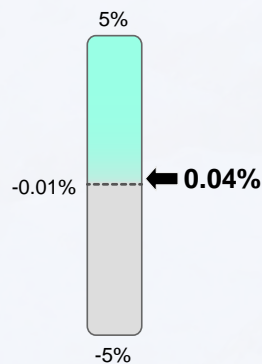
Single-family, percent change from prior year, Q3 2023



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

Population Growth

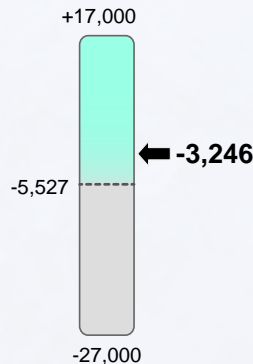
2022 to 2023



After four years of decline, Alaska's population has grown slightly in each of the last three years as natural increase (births minus deaths) has slightly exceeded migration losses.

Net Migration

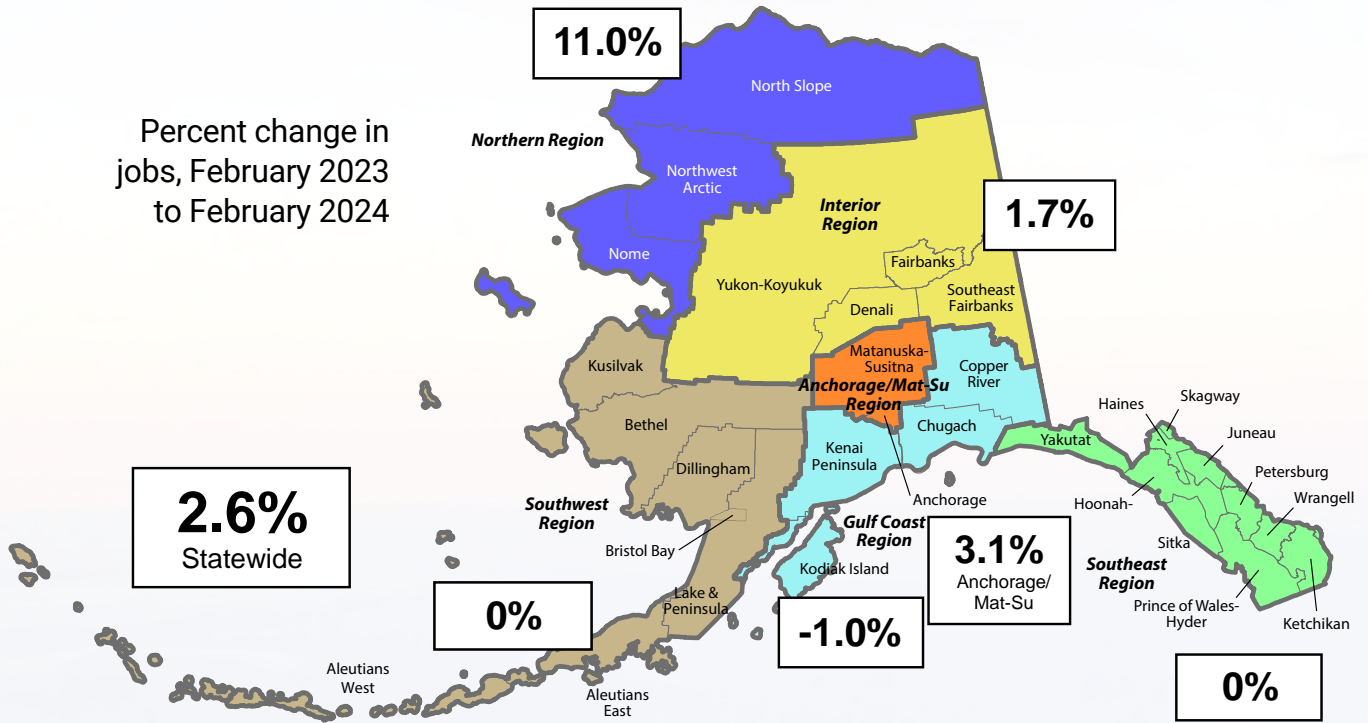
2022 to 2023



The state had net migration losses for the 11th consecutive year in 2023. Losses were larger than the previous two years but smaller than the late 2010s. Net migration is the number who moved to Alaska minus the number who left.

Employment Growth by Region

Percent change in jobs, February 2023 to February 2024



Unemployment Rates

Seasonally adjusted

	Prelim. Revised		
	2/24	1/24	2/23
United States	3.9	3.7	3.6
Alaska	4.7	4.6	3.8

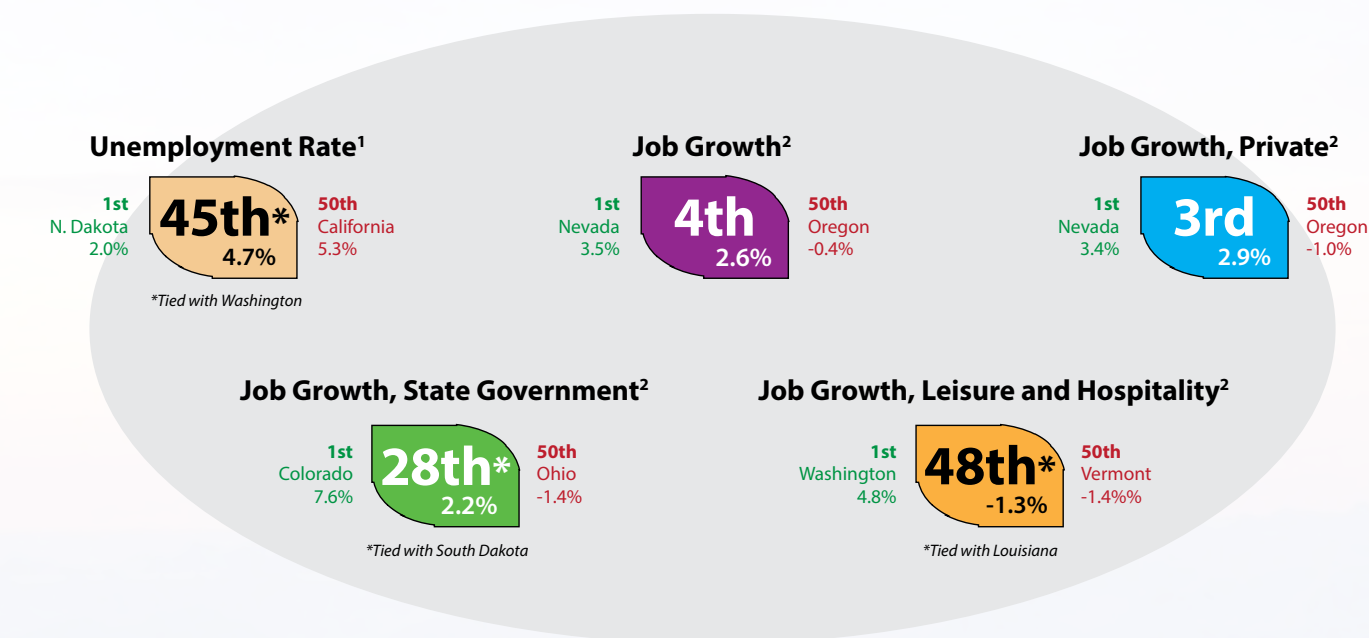
Not seasonally adjusted

	Prelim. Revised		
	2/24	1/24	2/23
United States	4.2	4.1	3.9
Alaska	5.6	5.2	4.7

Regional, not seasonally adjusted

	Prelim. Revised				Prelim. Revised				Prelim. Revised		
	2/24	1/24	2/23		2/24	1/24	2/23		2/24	1/24	2/23
Interior Region	5.5	5.2	4.7	Southwest Region	8.7	8.7	6.6	Southeast Region	5.8	5.3	4.8
Denali Borough	14.0	14.2	13.5	Aleutians East Borough	2.6	2.8	1.6	Haines Borough	12.4	11.1	10.4
Fairbanks N Star Borough	4.9	4.7	4.2	Aleutians West Census Area	2.4	3.7	2.1	Hoonah-Angoon Census Area	12.2	11.4	11.3
Southeast Fairbanks Census Area	7.4	7.2	5.8	Bethel Census Area	12.4	11.4	9.7	Juneau, City and Borough	4.3	3.9	3.2
Yukon-Koyukuk Census Area	12.3	10.9	10.8	Bristol Bay Borough	9.8	9.3	9.6	Ketchikan Gateway Borough	5.6	5.2	4.8
Northern Region	8.8	7.9	7.9	Dillingham Census Area	9.1	8.5	5.8	Petersburg Borough	6.8	7.4	5.7
Nome Census Area	9.3	8.7	7.7	Kusilvak Census Area	18.0	16.7	13.6	Prince of Wales-Hyder Census Area	9.5	8.3	8.8
North Slope Borough	5.5	4.8	5.1	Lake and Peninsula Borough	7.7	7.3	7.7	Sitka, City and Borough	4.3	4.0	3.6
Northwest Arctic Borough	11.8	10.2	11.3	Gulf Coast Region	7.0	6.7	5.7	Skagway, Municipality	17.4	14.9	16.1
Anchorage/Mat-Su Region	4.9	4.5	4.1	Kenai Peninsula Borough	7.0	6.2	5.8	Wrangell, City and Borough	7.1	6.3	6.6
Anchorage, Municipality	4.4	4.1	3.5	Kodiak Island Borough	5.0	7.9	3.7	Yakutat, City and Borough	11.4	8.7	9.2
Mat-Su Borough	6.3	5.7	5.8	Chugach Census Area	8.7	7.7	6.7				
				Copper River Census Area	11.8	10.9	10.6				

How Alaska Ranks



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

¹February seasonally adjusted unemployment rates

²February 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)	262.806	2nd half 2023	260.576	+0.9%
Commodity prices				
Crude oil, Alaska North Slope, * per barrel	\$81.27	Feb 2024	\$80.25	+1.3%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$1.80	Feb 2024	\$2.44	-26.3%
Gold, per oz. COMEX	\$2,160.00	3/22/2024	\$1,949.60	+10.8%
Silver, per oz. COMEX	\$24.84	3/22/2024	\$22.79	+9.0%
Copper, per lb. COMEX	\$4.01	3/22/2024	\$4.04	-0.9%
Bankruptcies				
Business	42	Q4 2023	44	-4.6%
Personal	6	Q4 2023	4	+50.0%
	36	Q4 2023	40	-10.0%
Unemployment insurance claims				
Initial filings	3,179	Feb 2024	3,221	-1.3%
Continued filings	24,653	Feb 2024	24,568	0.4%
Claimant count	6,566	Feb 2024	6,585	-0.3%

*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

INFLATION

Continued from page 7

lower fuel prices alleviated shipping costs more for remote places. Urban Alaska and Urban Hawaii had the two lowest inflation rates in 2023 for food at home.

Housing inflation also topped the overall rates in 21 of the 22 other metro consumer price indexes (Urban Hawaii was the exception) and was the biggest driver of differences in inflation rates across these areas. (See the exhibits on the previous page.)

Urban Alaska was at the low end of the inflation spectrum, ranking second-to-last for housing cost increases in 2023 (tied with Minneapolis) and lowest for overall inflation.

Like Urban Alaska, some of the other metro areas where housing costs rose less than they did nationally were in states that lost people to net migration in 2023, including New York, California, Hawaii, and Illinois.

In contrast, the two metro areas with the highest housing and overall inflation rates were both in Florida, which had the second-highest migration inflow in percent terms among states in 2023.

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POPULATION

Continued from page 13

of their growth came from migration. Their in-movers typically come from elsewhere in Alaska, especially from Anchorage, so these areas' gains usually come at the expense of other parts of the state.

Migration has been the main cause of recent population loss in rural areas. In the Northern and Southwest regions, natural increase has historically made up for net migration losses, but that hasn't been the case over the last few years. Within those regions, only the Northwest Arctic and Bristol Bay boroughs grew.

Rural areas' migration has turned increasingly negative so far this decade. From 2020 to 2023, the Northern Region lost more population to net migration (-1,900) than it had the entire previous decade (-1,400). The Southwest Region's net migration losses have also accelerated. Southwest lost 3,750 people to net migration from 2010 to 2020 and another 2,850 in just the last three years.

Within the Interior, the Denali Borough grew but Fairbanks' losses were steep enough to bring the entire region down. Fairbanks' population is still larger than it was in 2020, but it decreased in the few years that followed the boost from the F-35 transfer to Eielson Air Force Base. Before 2020, the Fairbanks North Star Borough's population had mostly been declining since 2012.

In Southeast, three boroughs grew in 2022-23 but the broader region shrunk through both net migration and natural decrease, or deaths outnumbering births. Juneau was the only Southeast area with more births than deaths.

This was the first time a region has recorded natural decrease. Southeast is considerably older than the rest of the state, though, so natural decrease likely won't happen to another region any time soon.

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

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SAFETY MINUTE

Requirements for housing in temporary labor camps

As spring approaches, many businesses throughout Alaska are preparing for the influx of seasonal workers, many of whom will be provided housing on or near their worksite. Employers should keep the following in mind when establishing temporary labor camps.

Alaska requires that each room used for sleeping contains at least 60 square feet of floor space for each occupant and at least a 7-foot ceiling. Each of these rooms must also have a window that is no less than one-tenth of the floor area, and the windows should be screened and at least half openable for ventilation.

Employers must provide an adequate supply of hot and cold running water for bathing and laundry, and the building must have equipment capable of maintaining a temperature of at least 70 degrees during cold weather.

Other requirements surround kitchens, dining halls, and

feeding facilities. Employers are required to provide a properly constructed kitchen and dining hall adequate in size, separate from the sleeping quarters of any of the workers or their families, in connection with all food handling facilities. Living and sleeping quarters may not directly open into a kitchen or dining hall.

Temporary and seasonal workers provide valuable labor, skills, and support to many industries throughout Alaska. The value they bring should be reciprocated with adequate living and dining facilities. For additional standards — including toilet, privy, and water closet requirements — see Alaska's [8 AAC 61.1040](#) or the federal OSHA standard [1910.142](#).

This Safety Minute was written by Lauri Bitz, safety consultant for the Alaska Occupational Safety and Health Consultation and Training Section of the Alaska Department of Labor and Workforce Development.