ALASKA ECONOMIC TRENDS

FEBRUARY 2023

THE CLASS OF 2005

Where these high school grads landed

ALSO INSIDE Alaska's self-employed

ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT • **RESEARCH AND ANALYSIS**

FROM THE COMMISSIONER

It's never too late to return to school or change careers

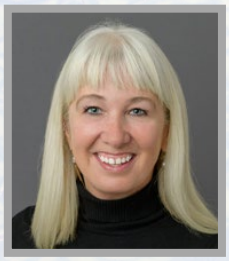
By Catherine Muñoz, Acting Commissioner

Alaska's students have a wealth of education and training opportunities available to them, right after high school or years later when life or changing technology necessitate a new career path.

Alaska's premier vocational education school – AVTEC – offers a variety of short-term trainings for Alaska's high-demand jobs. As AVTEC is a clock hour school, training is offered all day, every day for up to eight hours, similar to a work day. The programs last 90 to 180 days and include business and office technology, construction, maritime, culinary arts, diesel mechanics, industrial electricity, welding, information technology, plumbing, and heating and refrigeration.

Adam Bauer, webmaster for the Alaska Department of Labor and Workforce Development, is an AVTEC success story. "It's important to be flexible and willing to take advantage of opportunities that don't exist today," he told me. The workplace is dynamic and the skills needed to be successful are too.

Adam first completed the diesel mechanics program at AVTEC in 1986. He went to work in his field after graduation and was eventually hired as a maritime engineer. Adam later went back to AVTEC and obtained a captain's license and the associated U.S. Coast Guard certifications needed to succeed in the maritime industry.



Later in Adam's career, he went to work in the online part of the news industry, but over time he witnessed the shift of many skills to overseas workers. This prompted him to return to AVTEC a third time to complete the IT program. "AVTEC only teaches 'feet-on-the-ground' skills that pay well," he said, explaining that some machines have to be serviced in person. "You can't outsource a printer, and you can't outsource the guy who will fix it."

In 2019, the Georgetown University Center on Education and the Workforce published a report ranking 4,500 colleges and training centers across the country according to the net present value of a credential from each institution. The report ranked AVTEC #41 nationwide.

It's never too late to go back to school or pursue a new career. Consider Adam's story and don't be afraid to take risks to achieve your dreams. For more information, contact AVTEC at (907) 224-3322 or (800) 478-5389.

Sincerely,

Catherine Muñoz

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

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ON THE COVER:

Signs in the center of the University of Alaska Fairbanks campus point to a range of possible distant destinations. Photo by Scot Nelson

ALASKA ECONOMIC TRENDS

ALASKA
DEPARTMENT of LABOR and WORKFORCE DEVELOPMENT

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Catherine Muñoz

Correction

In January's print edition, the bottom table on page 5 in the statewide forecast has incorrect numbers for mining and logging, professional and business services, and local government. We have corrected the online version.

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

ON THIS SPREAD: The background image for 2023 is a flipped aerial view of tidal channels on the Copper River, taken by Flickr user Banco de Imágenes Geológicas. License: creativecommons.org/licenses/by-nc-sa/2.0/

The class of 2005, 16 years later

Continuing to track 6,000 Alaska high school graduates

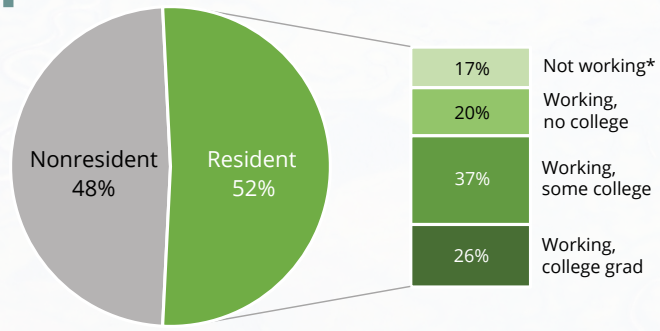
By DAN ROBINSON and JOSHUA WARREN

What happens to the thousands of Alaska high school students after they graduate is an important economic question, given that much of the state's future workforce will come from that group.

To understand Alaskans' post-high school paths and what they might mean for the state, we have tracked the class of 2005 over the last 16 years, first looking at their whereabouts five years after graduation (see the June 2012 issue of *Trends*) and then again in April 2017 to find out what types of education they pursued, the careers they chose, and ultimately whether they had stayed in or returned to Alaska.

We now know even more about the 6,000 people who graduated high school in 2005 and are now in their mid-30s. They have had time to try different types of work, advance in their careers, and make longer-term choices about where to live. (See the sidebar on page 6 for more details on the data used in these types of longitudinal studies.)

Alaska class of 2005 status in 2021

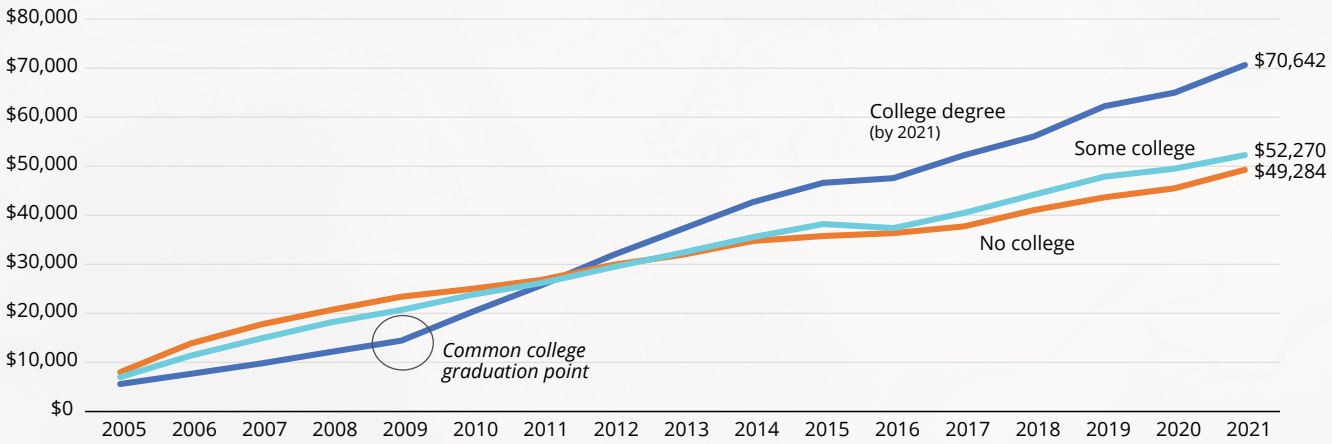


*Can't distinguish self-employment within the "not working" group
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Just over half are still here, with the vast majority working

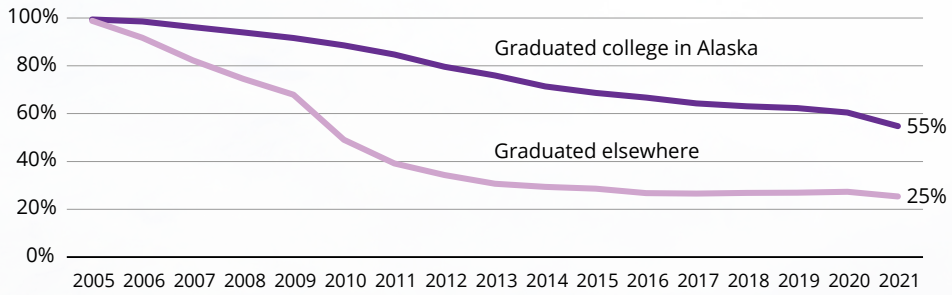
Of the entire class of 2005, 78 percent had attended college at some point and 37 percent had obtained an associate or bachelor's degree. Sixty

How much the Alaska class of 2005 has earned on average, by education level



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

Residency for the class of 2005 who graduated college



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

percent graduated from an Alaska college or university and 40 percent earned degrees outside of the state.

As of 2021, 52 percent of the class — 3,140 — were still Alaska residents or had returned to the state. Eighty-three percent of these residents were working for an Alaska employer.

About 540 (17 percent) were living in Alaska in 2021 and not working for an Alaska employer, although we can't discern whether they were self-employed.

Earnings varied by educational level, but the trajectory differed

College graduates working in Alaska earned an average of $70,642 in 2021. Those who did not attend college averaged $49,284 and those who went but hadn't completed a degree by 2021 made slightly more at $52,270.

The eventual college graduates began their post-high school lives making less than their peers. That's what we would expect, as they were likely working temporary and often part-time jobs during college while the high school graduates who went straight to work would have been more likely to work full-time jobs, some of which would become careers.

That relationship continued without much change through 2009, which was the year the largest number completed their degrees. (Note that degrees for this article include two-year associate degrees. See the sidebar on page 6.)

In 2010, average earnings kicked up noticeably for the college graduates as many began their first post-school jobs, then increased at a faster rate from that point on.

A fourth who got out-of-state degrees returned to Alaska

Not surprisingly, those who graduated from Alaska colleges were more likely to remain residents than those who left for out-of-state schools. (The Alaska institutions included in this data set are all the campuses in the University of Alaska system, Alaska Pacific University in Anchorage, and Ilisagvik College in Utqiagvik.)

> The first year after high school, 92% who went to college out of state remained residents, likely because of the PFD.

In the first year after high school, 92 percent of the students who would eventually obtain degrees out of state remained Alaska residents. This is common because Alaskans who attend college full-time outside Alaska are eligible to continue receiving Alaska Permanent Fund Dividends. The rule is that anyone absent from Alaska for more than 180 days in a year isn't eligible for a PFD, but college is an allowable absence. (We use PFD eligibility to determine residency for this type of research.)

The residency percentage declined steadily during the first four years after high school, and at the five-year mark — the first year after college graduation for many — the decline in residency became

About the graduate data

The Alaska Department of Labor and Workforce Development's Research and Analysis Section has collaborated for years with the Alaska Department of Education and Early Development and the University of Alaska to research the connections between education and the workforce.

We also combine student and workforce data with applications for Alaska's Permanent Fund Dividend to determine residency status, a tool that's unique to Alaska because no other state has anything like the PFD program.

We track attendance at and graduation from out-of-state colleges through the National Student Clearinghouse, an educational nonprofit that provides student data for 3,600 U.S. colleges and universities (nearly all).

College degrees include associate

For this article, a college graduate is someone who received a degree at any of those institutions, including associate degrees, although the number of associate degrees is much smaller than the number of bachelor's degrees.

This article does not cover the thousands of high school graduates who pursue other types of postsecondary training, including an apprenticeship program or military service. Where possible, we will examine those pathways in future articles, although the available data are less comprehensive and accessible.

Why training programs aren't covered

Information about apprenticeship programs approved by the U.S. Department of Labor is the most robust and is available for individual attendees (as opposed to just aggregated numbers). For past coverage of apprenticeships, see the March 2016 issue of *Trends*. We will cover that topic again, as the number of apprenticeship programs in Alaska has been growing.

Comprehensive individual data are not available for Alaska high school graduates who join the military or pursue other postsecondary training (for example, to become truck drivers, float plane pilots, chefs, or massage therapists). That type of post-high school training also contributes significantly to Alaska's workforce needs, however, and efforts are ongoing to quantify those recipients and their participation in the workforce.

more pronounced, dropping from 68 percent to 49 percent as many took jobs outside Alaska.

Residency rates continued to decline for several more years, then almost leveled off from 2013 through 2021, declining gradually from 31 percent to 25 percent. This suggests that although many out-of-state grads have stayed out of state to find work, most of those who returned to Alaska have stayed after that initial decision to return.

Alaska grads more likely to stay, but residency pattern is unusual

It's no surprise that someone who attended an Alaska college or university would be more likely to stay and work here over the next 16 years, but their residency rates and how they compare to the out-of-state grads are revealing.

While the drop in residency for out-of-state graduates began to level off nearly 10 years ago, the residency rate for Alaska college graduates has continued to decline every year, ultimately dropping to 55 percent in 2021. For those who graduated from out-of-state colleges, the decline from 2013 to 2021 was just 6 percentage points. Alaska graduates' residency rate fell 21 percentage points over that same period.

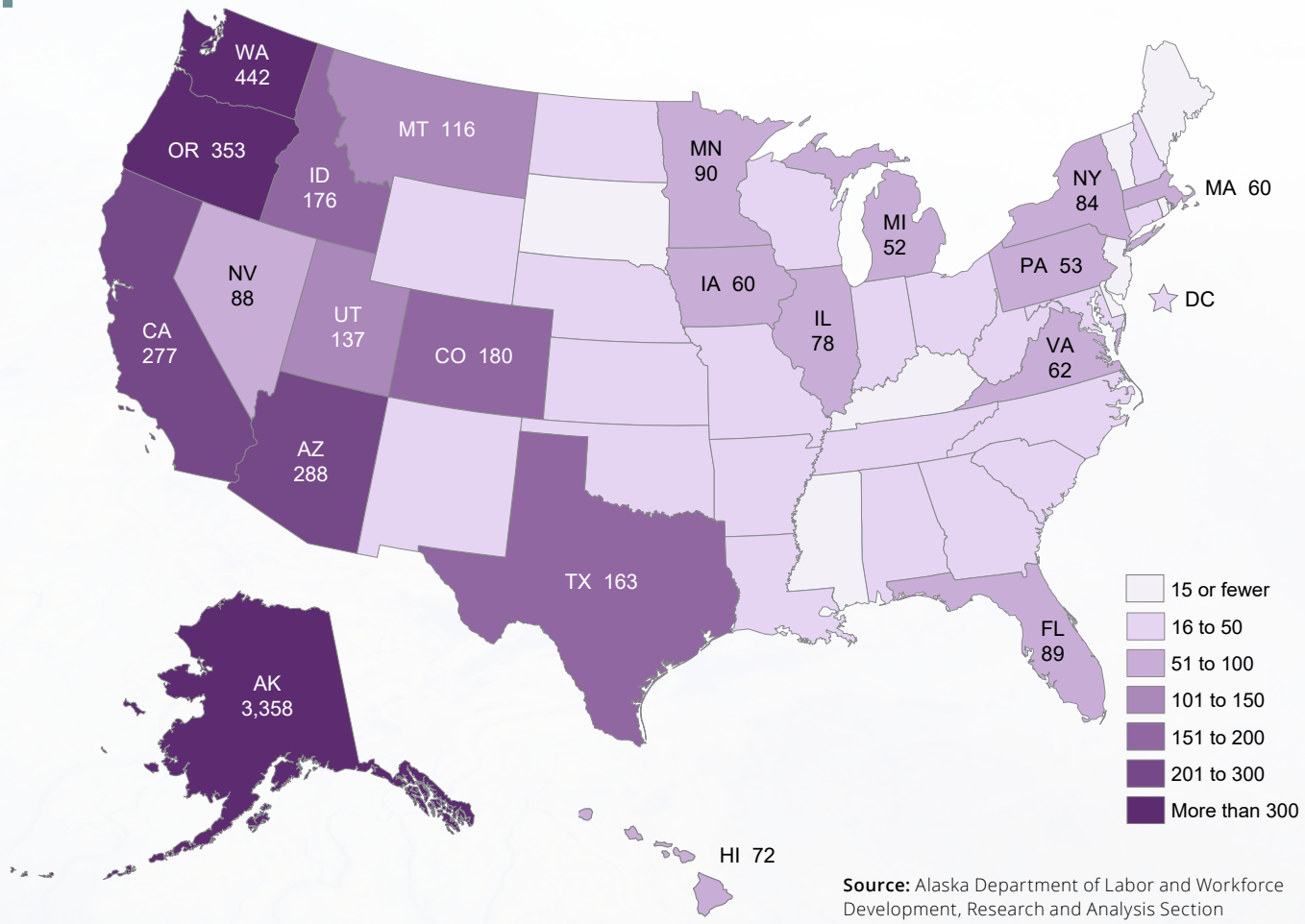
One likelihood is that once students who get a degree outside return to Alaska and take a job, they've made a relatively firm decision that this is where they want to live and work. They've spent time outside, seen what it's like to live elsewhere, and then chosen to return.

In-state college graduates, though more likely to be Alaska residents in all the years measured, have not had such an obvious experience outside Alaska. More of them may continue to weigh staying in Alaska relative to the alternatives.

If Alaska's current trend of negative net migration were to shift back to positive, the residency percentages for both in-state and out-of-state college grads would probably shift upward.

Alaska has unusually large migration flows in both directions, and the role people with Alaska roots who left would play if net migration turned positive is an intriguing question. Would they be more likely to come back in the way diaspora often return to what they consider home when there's opportunity? Or would they be less likely to return because

Where college-bound 2005 Alaska high school graduates went to school



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

their decisions to leave Alaska were based on reasons that don't change, such as a desire for a warmer climate, closeness to family, or career opportunities only available elsewhere?

Where the high school class of 2005 went to college

Twenty-two percent of the 2005 Alaska high school grads who received their degrees from out-of-state colleges and universities went to either Washington or Oregon. The next largest numbers went mostly to other western states, with small exceptions for Texas, Minnesota, and Florida. Following Washington and Oregon in order of popularity were Arizona (8 percent), California (8 percent), Colorado (5 percent), Idaho (5 percent), Texas (4 percent), Utah (4 percent), and Montana (3 percent). (See the map above.)

We looked at whether students were more or less likely to return to Alaska from different states. The return percentages were highest for students who went to Iowa, Montana, Arizona, and Hawaii. Oregon and Washington graduates were also more likely than average to return to Alaska, although by a slightly smaller margin. The states from which students were least likely to return included Florida, Indiana, West Virginia, Maryland, New York, and Utah.

While the reasons are speculative, states in the low-return list are farther away and have less in common with Alaska. Life in Florida or New York, for example, would have little resemblance to life in Alaska in terms of population density and, especially for Florida, climate. For some of the states, economic growth likely played a role, too (Utah and Florida).

The reason Oregon and Washington graduates are somewhat less likely to return relative to a handful

of other western states, despite being closest, may be that remaining in those states is an easy transition for some Alaskans, as the geography and climate are similar.

The types of jobs they're working in Alaska, by educational level

The class of 2005 held a wide range of jobs in 2021.

The largest number of college graduates worked in a broad occupational group called "health care diagnosing or treating practitioners," which includes everything from dentists and pharmacists to nurses and doctors. Those workers earned an average of $97,432 in 2021.

The next-biggest categories for those with degrees were teachers, engineers, and a catch-all manager category. (See the list in the table on the next page.)

Among those who didn't attend college, the largest number worked in construction trades, a category that includes carpenters, equipment operators, electricians, and plumbers. Many of these workers trained after high school to do that work, but as the sidebar on page 6 notes, information on training is hard to come by.

For those who attended some college but didn't graduate, the largest number worked in that same group of occupations.

What we can learn from the data and where to go from here

This type of longitudinal study tends to whet the appetite for more details and related research; for example, do the high school graduates from Anchorage differ from those from Juneau, Fairbanks, or rural areas? Do more recent high school graduates differ in their overall college attendance, the degree to which they attended in Alaska, or their tendency to stay?

It's tempting to oversimplify some of the economic implications of this kind of data. It's not necessarily a failure, for instance, that a certain percentage of Alaska's high school graduates look out of state to attend college or find work. If the percentages shift suddenly, however, or trend strongly upward over multiple years, that would raise concerns.

> Grads from Washington and Oregon schools were slightly less likely to return than from some other western states.

Similarly, there's no ideal percentage of high school graduates who *should* be graduating from college, seeking other types of post-high school training, or going straight to work. Generally, however, it wouldn't be a good sign to see large or rising numbers of students who attend college but don't finish.

Given Alaska's 10-year trend of negative net migration and the related difficulty Alaska employers are having hiring and retaining workers, the most relevant and practical additional research would look in that direction. It's complicated and speculative to pinpoint why people are leaving Alaska or moving here, but this type of research can provide clues.

Simply knowing, for example, whether a higher or lower percentage of a more recent graduating class — such as 2010 or 2015 — were leaving Alaska would tell us what they think about the desirability of living here, attending college here, and working here. Circling back to where the article began, the decisions our high school graduates make on where they go next are a clear economic issue for the state. Those decisions will play a central role in the size and health of Alaska's future population and workforce.

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Top 10 jobs in 2021 for 2005 Alaska high school graduates

College graduates

	Number of workers	Average wage
Health care diagnosing or treating practitioners	94	$97,432
Preschool, elementary, middle, secondary, and special education teachers	48	$58,672
Engineers	46	$123,098
Other management occupations	39	$75,825
Other office and administrative support workers	38	$68,546
Financial specialists	34	$83,925
Business operations specialists	32	$75,089
Counselors, social workers, and other community and social service specialists	31	$54,782
Financial clerks	25	$63,098
Secretaries and administrative assistants	24	$52,559

Some college

	Number of workers	Average wage
Construction trades workers	82	$68,281
Other office and administrative support workers	58	$38,571
Information and record clerks	56	$43,983
Financial clerks	48	$48,900
Retail sales workers	46	$29,802
Secretaries and administrative assistants	42	$41,897
Other installation, maintenance, and repair occupations	39	$78,569
Computer occupations	39	$59,761
Health care diagnosing or treating practitioners	34	$73,548
Material moving workers	32	$42,028

No college

	Number of workers	Average wage
Construction trades workers	77	$69,063
Retail sales workers	48	$31,196
Material moving workers	31	$35,478
Other office and administrative support workers	31	$33,433
Vehicle and mobile equipment mechanics, installers, and repairers	28	$82,293
Other installation, maintenance, and repair occupations	27	$77,621
Information and record clerks	23	$40,911
Secretaries and administrative assistants	23	$26,263
Cooks and food preparation workers	19	$21,816
Food and beverage serving workers	19	$20,345

Notes: College graduates include those with two-year associate degrees. The no-college category includes those who have completed apprenticeships or other postsecondary training. See the sidebar on page 6.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

A look at Alaska's self-employed

About one in 10 here and nationwide work for themselves

By NEAL FRIED
and LIZ BROOKS

People who work for themselves represent about one in 10 workers in Alaska and nationwide. That's 34,000 self-employed Alaskans, about half working full-time, year-round. Among states, the self-employment rate varies from a low of just under 8 percent in West Virginia to a high of 16 percent in Montana.

Nationally, there's some evidence more people are choosing self-employment, and the COVID era has made that easier through remote work and the technological advancements that came with it.

The self-employed appeared to weather the pandemic better than U.S. wage and salary workers overall and their numbers bounced back faster. The pandemic recession hit the self-employed and regular employees about the same, but by the second quarter of 2021, the number of self-employed workers had already recovered to pre-pandemic levels. While these are national trends, they likely apply to Alaska as well.

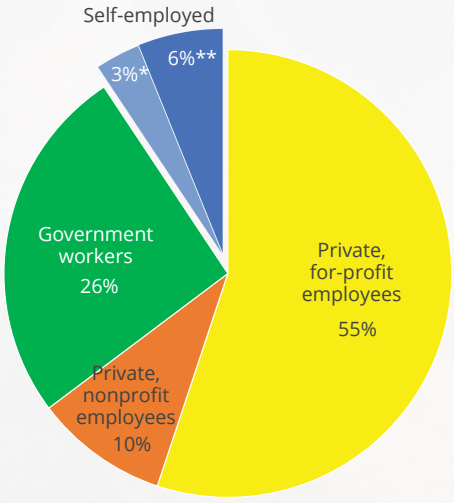
Unlike workers who collect a regular paycheck, data on the self-employed in Alaska are scarce. The best information comes from just two data sets from the U.S. Census Bureau, both of which are limited. (For more on the data, see the sidebar on page 12.) While the shortcomings make it harder to detail long-term changes in Alaska's self-employed workforce, the data suggest their share of the total workforce hasn't changed much over the last few decades — but the type of work has. For example, the number of travel agents has dwindled to near-zero, replaced by occupations such as ride-share drivers.

Top 10 occupations for the self-employed

	Alaska	United States
1	Fishing and hunting workers	Real estate brokers and sales agents
2	Construction laborers	Farmers, ranchers, agricultural managers
3	Carpenters	Drivers/sales workers and truck drivers
4	Food service managers	Construction laborers
5	Artists and related workers	Maids and housekeeping cleaners
6	Construction managers	Child care workers
7	Child care workers	Carpenters
8	Retail salespeople	Hairdressers and cosmetologists
9	Accountants and auditors	Landscapers and groundskeepers
10	Hairdressers and cosmetologists	Lawyers, judges, magistrates

Note: Both of these lists exclude common catch-all occupations: First-line supervisors of retail or nonretail workers, chief executives and legislators, and other managers.
Source: U.S. Census Bureau, 5-Year American Community Survey 2017-2021 microdata

Who Alaskans work for



*Incorporated **Nonincorporated
See "The two types of self-employed workers" on page 11 for descriptions.
Source: U.S. Census Bureau, 5-Year American Community Survey 2017-2021

The type of work they do and how Alaska and the U.S. differ

Self-employed Alaskans span the spectrum of occupations, although the mix differs from those who work for an employer. Some jobs lend themselves

Self-employment high in certain industries

Alaska industry	Proportion self-employed
Agriculture, forestry, fishing and hunting	43%
Real estate, rental, and leasing	27%
Other services, except public administration	22%
Construction	21%
Professional, scientific, mgmt, and admin services	19%
Arts, entertainment, recreation, accommodation, food services	11%
Social assistance	11%
Wholesale trade	11%
Manufacturing	9%
Transportation and warehousing	9%
Retail trade	8%
Finance and insurance	8%
Information	7%
Health care	5%
Mining	3%
Educational services	2%
Utilities and waste management	0%

Source: Source: U.S. Census Bureau, 5-Year American Community Survey 2017-2021 microdata

more to self-employment than others; examples include the ride-share drivers mentioned earlier who work for companies such as Uber and Lyft, window washers, accountants, real estate agents, physicians, exterminators, restaurateurs, plumbers, lawyers, mechanics, guides, truck drivers, and beauticians — but the biggest numbers of self-employed Alaskans are seafood harvesters and construction workers.

Nearly all seafood harvesters in Alaska, permit holders as well as their crews, are self-employed. The prevalence of this profession is unusual — no other state has fisherman as their No. 1 self-employed occupation, and only one other state, Maine, has it in the top 10.

Another outlier for Alaska is the No. 2 occupation nationally that's absent from our top 10 list. "Farmers, ranchers, and other agricultural workers" is in the top 10 for about half of the states and often tops the list.

Otherwise, about half of Alaska's top 10 are occupations common in many other states.

The industry picture looks similar. After fishing, self-employment was highest in real estate, construction, and the professional and business services industry. (See the table above.) Construction isn't a surprise given the many small contractors, but the makeup of the last one is less clear-cut. Professional and business services includes professionals such as lawyers, veterinarians, and architects.

The two types of self-employed workers

The Census Bureau divides workers by "class" according to where and for whom they work the most hours, then divides them into incorporated and nonincorporated categories. Because the occupational breakdown and yearly work patterns vary so much between the two, it makes sense to distinguish them.

Self-employed percent by state

State	% self-employed
United States	**10%**
Alabama	9%
Alaska	**10%**
Arizona	10%
Arkansas	11%
California	11%
Colorado	12%
Connecticut	10%
Delaware	8%
District of Columbia	8%
Florida	13%
Georgia	10%
Hawaii	11%
Idaho	13%
Illinois	9%
Indiana	8%
Iowa	10%
Kansas	10%
Kentucky	9%
Louisiana	10%
Maine	13%
Maryland	9%
Massachusetts	9%
Michigan	9%
Minnesota	9%
Mississippi	10%
Missouri	9%
Montana	16%
Nebraska	11%
Nevada	9%
New Hampshire	9%
New Jersey	9%
New Mexico	10%
New York	10%
North Carolina	10%
North Dakota	12%
Ohio	8%
Oklahoma	11%
Oregon	12%
Pennsylvania	8%
Rhode Island	9%
South Carolina	10%
South Dakota	13%
Tennessee	10%
Texas	11%
Utah	10%
Vermont	13%
Virginia	9%
Washington	10%
West Virginia	8%
Wisconsin	9%
Wyoming	12%
Puerto Rico	16%

Source: U.S. Census Bureau, 5-Year American Community Survey 2017-2021

The incorporated class covers the self-employed within corporate entities, which might not conjure up the usual image of self-employment. For example, owners of law, accounting, and medical practices or engineering firms with multiple partners are self-employed but they employ staff members who work for regular wages.

More than half of the incorporated category is in management, business science, and arts occupations. Among the overall workforce, it's about 38 percent. Those in incorporated businesses also tend to work full-time, year-round at nearly 68 percent, which is higher than the overall working civilian population over age 16 (62 percent).

The unincorporated group is twice the size of the incorporated group and includes the people who might come to mind first: contractors such as fishermen and Door Dash delivery drivers and sole proprietors such as home child care providers or photographers.

The unincorporated are more than twice as likely as the incorporated to work in service occupations, and far more likely to work in production, transportation, construction, and natural resources. Part-time work is the norm for this group; only 38 percent work full-time, year-round.

Other characteristics: More likely to be male and older

Far fewer women than men in Alaska are self-employed. About 62 percent of Alaska's self-employed are men, and 38 percent are women. For comparison, women make up 45 percent of Alaska's total workers.

Part of the explanation for the gap is that men are already the majority in the industries and types of work compatible with self-employment, especially fishing and construction.

National data show that self-employed women also tend to work part-time.

By age, older workers are more likely than younger ones to work for themselves. In this case, older people have had more time to accumulate the skills and capital necessary to go into business.

Earnings by type of Alaska worker

Class of worker	Median earnings
Total	**$47,826**
Employee of private, for-profit company	$42,601
Self-employed, incorporated*	**$62,613**
Self-employed, nonincorporated*	**$31,195**
Employee of private, not-for-profit company	$49,647
Local government workers	$53,439
State government workers	$59,787
Federal government workers	$66,683

*Most of the self-employed are nonincorporated, or sole proprietorships. See "The two types of self-employed workers" on page 11 for definitions.
Source: U.S. Census Bureau, 5-Year American Community Survey 2017-2021

How much they typically make

The Census Bureau's Nonemployer Statistics shed some light on how much these small businesses make. Most of the self-employed are "nonemployers"; in other words, they are nonincorporated, sole operators with no paid employees.

To be counted, nonemployers must have sales and receipts of $1,000 or more and pay federal income tax. According to the Census Bureau, most businesses in the United States are nonemployers but they generate only 4 percent of total revenue.

In 2019, the most recent year available for Alaska, nearly 58,000 sole proprietors reported $2.8 billion

About the data

Collecting a regular paycheck from an employer generates detailed monthly and quarterly data through payroll taxes, surveys, and other administrative sources. The self-employed are more difficult to count because they have far less documentation, and the data that do exist are less detailed, frequent, and statistically robust.

The main source for self-employed worker data is the U.S. Census Bureau's American Community Survey, which the bureau collects annually and in five-year increments. The ACS includes details on workers by "class," which includes two types of self-employed workers: incorporated and nonincorporated. The bureau also produces an annual series of "nonemployer statistics," which provides the value of the revenue generated by businesses that have no paid employees.

in sales and receipts, with an average of $49,000 per establishment. The real estate and rental categories recorded the largest sales — most real estate agents are self-employed, and they sell expensive assets.

In terms of earnings rather than sales, median earnings were highest for incorporated business owners in Alaska, at $62,613 ($47,826 for all types of workers). Again, this group includes many highly paid professionals who run their own practices, including doctors, lawyers, engineers, and accountants. (See the table on the previous page.)

Nonincorporated earners, who represent the majority of the self-employed in Alaska, took in just 65 percent of the median earnings for all types of workers, mainly because most work part-time.

Proprietary income data from the U.S. Bureau of Economic Analysis paint a similar picture, showing that in 2021, Alaska workers collecting a paycheck made an average of $66,115 and sole proprietors made just $35,481.

Many sole operators succeed financially, but lower earnings and part-time work suggest that for many, flexibility and being one's own boss are bigger draws than the profits.

The likelihood of being self-employed varies around Alaska

Nonemployer Statistics also allow us to estimate the likelihood of being self-employed around the state, which varies considerably by area.

We calculated the ratio of an area's total population to its number of nonemployer establishments (sole proprietorships). While these data exclude some types of self-employment, the ratios told a similar story to other self-employment data. (See the table at right.)

Self-employment is most common in Bristol Bay and Petersburg, which have many seafood harvesters, and least common in rural areas such as the North Slope Borough and Bethel.

The North Slope's prevalent oil and gas industry has little self-employment, as large companies tend to employ the workers who live in group quarters on the Slope. Government and nonprofit health care and social assistance also play big roles in rural areas — providing typical wage and salary jobs — and the populations are younger. Bristol Bay and Dillingham are exceptions because of their predominant seafood industries.

Many of the areas with high self-employment are in Southeast. Southeast is older than the rest of the state, and fishing and tourism-centered businesses are prevalent in many communities.

The self-employed by area
(Ratio of people to nonemployers*)

Borough or census area	Ratio*
Bristol Bay Borough	**4:1**
Petersburg Borough	**4:1**
Yakutat, City and Borough	5:1
Sitka, City and Borough	**6:1**
Dillingham Census Area	6:1
Haines Borough	6:1
Lake and Peninsula Borough	6:1
Valdez-Cordova Census Area	7:1
Wrangell, City and Borough	8:1
Skagway, Municipality	8:1
Kenai Peninsula Borough	8:1
Hoonah-Angoon Census Area	8:1
Kodiak Island Borough	9:1
Ketchikan Gateway Borough	10:1
Alaska	**11:1**
Juneau, City and Borough	11:1
Prince of Wales/Hyder CA	11:1
Denali Borough	12:1
Southeast Fairbanks CA	13:1
Aleutians East Borough	14:1
Anchorage, Municipality	14:1
Matanuska-Susitna Borough	14:1
Yukon-Koyukuk Census Area	14:1
Fairbanks North Star Borough	16:1
Kusilvak Census Area	19:1
Nome Census Area	19:1
Aleutians West Census Area	27:1
Bethel Census Area	30:1
Northwest Arctic Borough	32:1
North Slope Borough	40:1

More sole proprietors

Fewer sole proprietors

*Nonemployers are businesses with no paid employees. See the sidebar on page 12 and "The two types of self-employed workers" on page 11.
Source: U.S. Census Bureau, Nonemployer Statistics 2019

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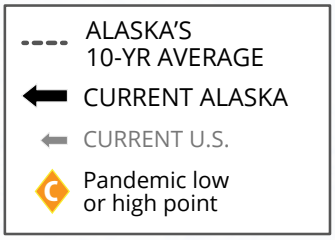
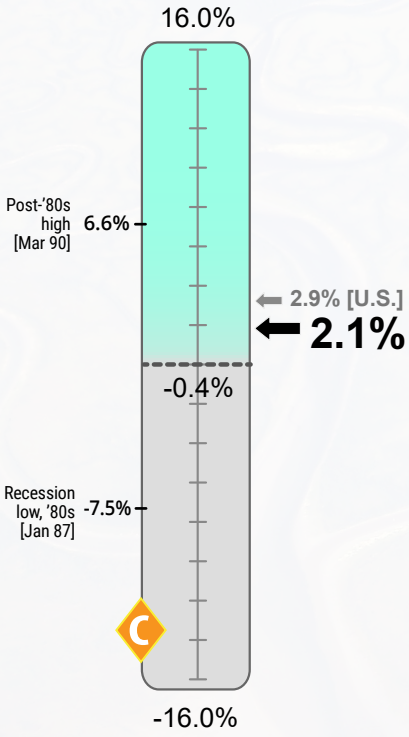
Gauging The Economy



Job Growth

December 2022
Over-the-year percent change

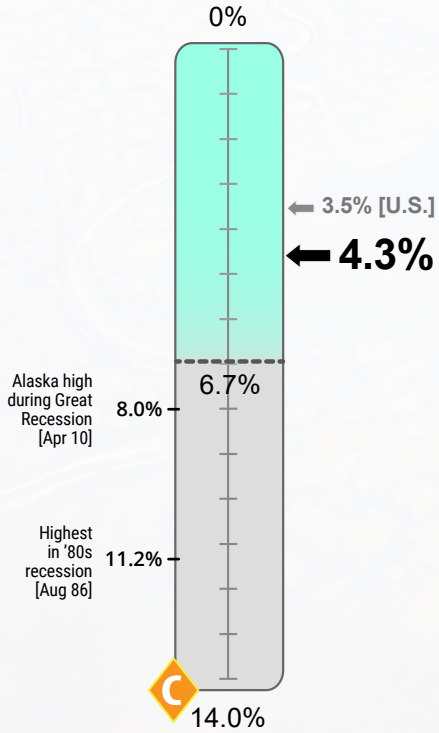


The spread of COVID-19 caused rapid job loss in early 2020. Although employment is up significantly from pandemic lows, it is still 1.6 percent below 2019.

U.S. employment, which was up 2.0 percent from December 2021, is now 1.3 percent above its 2019 level.

Unemployment Rate

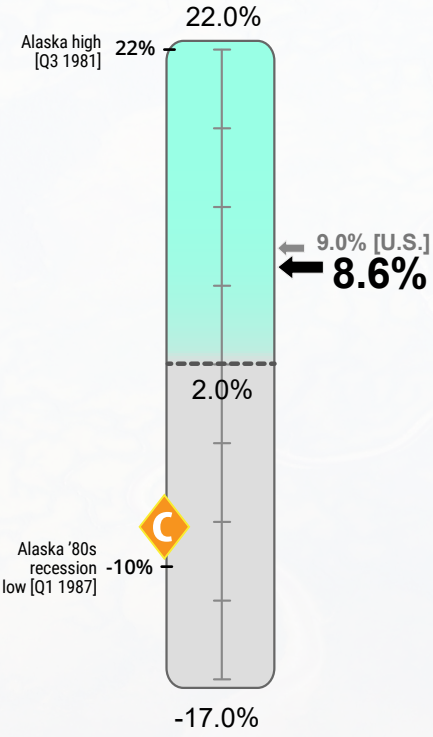
December 2022
Seasonally adjusted



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

Wage Growth

2nd 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 back above year-ago levels in the fourth quarter of 2020.

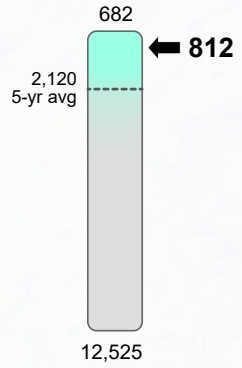
Wages were up 8.6 percent from year-ago levels in the second quarter of 2022 and 11.6 percent above second quarter 2019.

Gauging The Economy

ALASKA'S 10-YR AVERAGE
CURRENT ALASKA

Initial Claims

Unemployment, week ending Jan. 7, 2023*

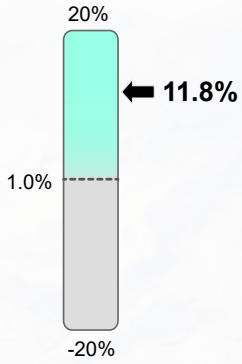


Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads have fallen, and new claims for benefits are back below their long-term average.

*Four-week moving average ending with specified week

GDP Growth

3rd Quarter 2022
Over-the-year percent change*

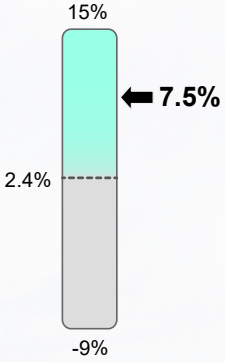


Gross domestic product is the value of the goods and services a state produces. Alaska's GDP fell hard in early 2020 but recovered most of those losses in 2021 and 2022.

*In current dollars

Personal Income Growth

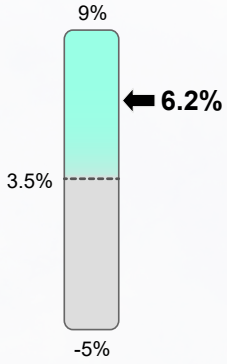
3rd Quarter 2022
Over-the-year percent change



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, Q1 2022*

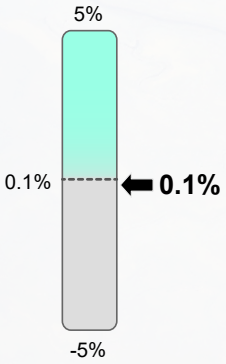


Home prices shown include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

*Four-quarter moving average ending with specified quarter

Population Growth

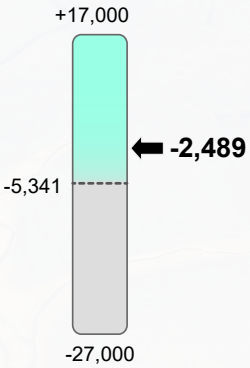
2021 to 2022



After four years of decline, Alaska's population grew slightly in 2021 and 2022, as natural increase (births minus deaths) slightly exceeded losses from migration.

Net Migration

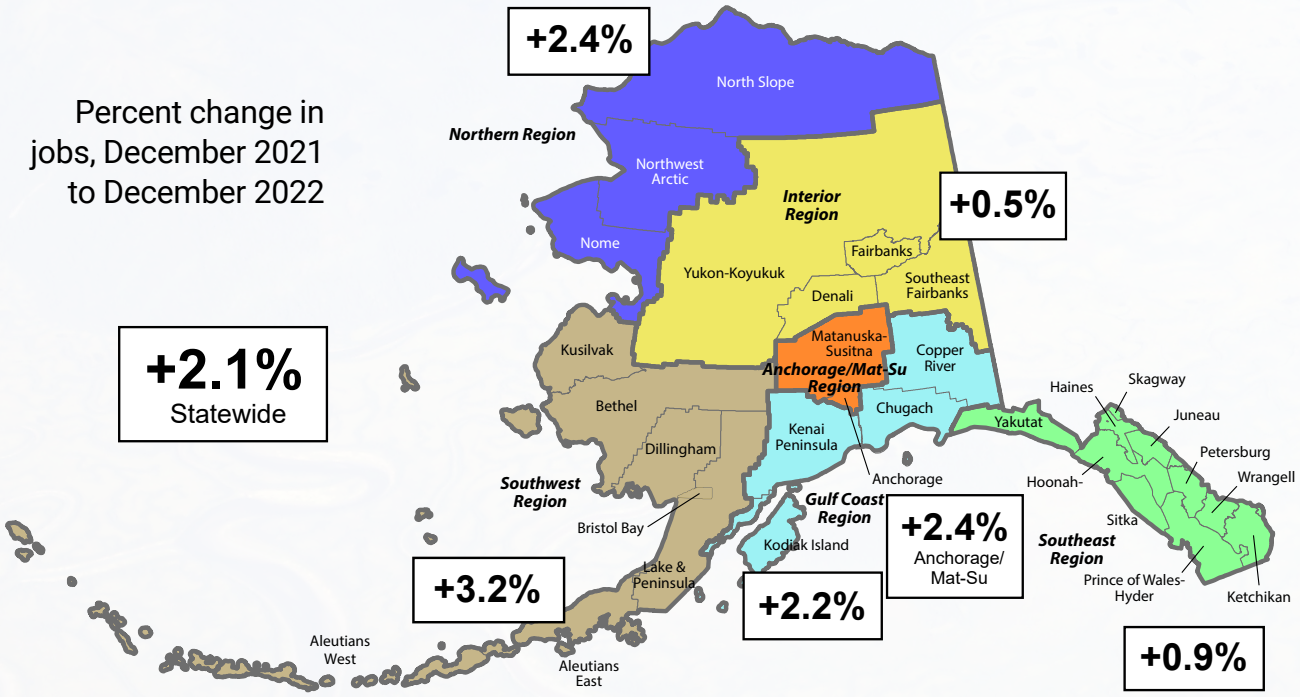
2021 to 2022



The state had net migration losses for the tenth consecutive year in 2022, although the losses have become smaller. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, December 2021 to December 2022



Unemployment Rates

Seasonally adjusted

	Prelim.	Revised	
	12/22	11/22	12/21
United States	**3.5**	**3.6**	**3.9**
Alaska	**4.3**	**4.5**	**5.5**

Not seasonally adjusted

	Prelim.	Revised	
	12/22	11/22	12/21
United States	**3.3**	**3.4**	**3.7**
Alaska	**4.2**	**4.3**	**5.2**

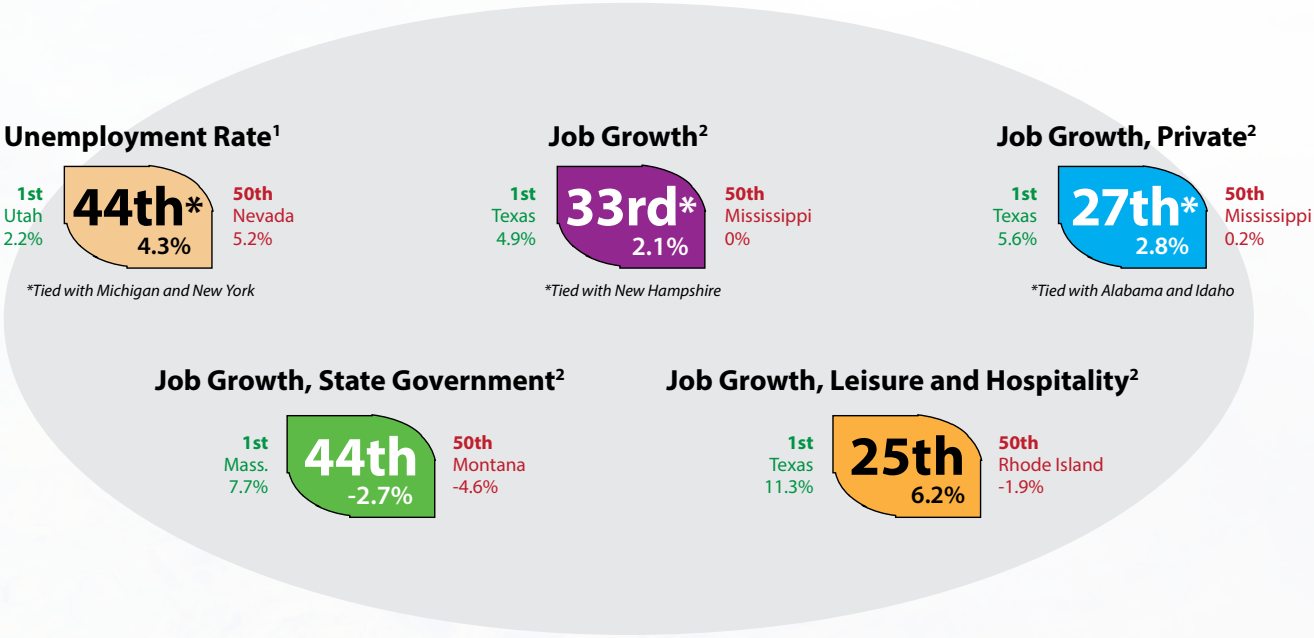
Regional, not seasonally adjusted

	Prelim.	Revised	
	12/22	11/22	12/21
Interior Region	**4.1**	**4.2**	**4.7**
Denali Borough	13.6	13.6	10.8
Fairbanks N Star Borough	3.6	3.8	4.3
Southeast Fairbanks Census Area	5.2	5.3	6.0
Yukon-Koyukuk Census Area	8.7	8.8	10.5
Northern Region	**7.0**	**7.3**	**7.2**
Nome Census Area	6.7	7.0	7.6
North Slope Borough	4.7	4.9	4.6
Northwest Arctic Borough	9.6	10.3	9.2
Anchorage/Mat-Su Region	**3.5**	**3.6**	**4.6**
Anchorage, Municipality	3.1	3.3	4.3
Mat-Su Borough	4.7	4.7	5.7

	Prelim.	Revised	
	12/22	11/22	12/21
Southwest Region	**7.9**	**8.0**	**9.0**
Aleutians East Borough	5.1	3.6	3.4
Aleutians West Census Area	4.4	4.2	4.6
Bethel Census Area	8.3	8.9	10.3
Bristol Bay Borough	8.3	6.5	10.2
Dillingham Census Area	5.5	6.4	6.3
Kusilvak Census Area	13.1	13.9	16.0
Lake and Peninsula Borough	7.6	7.6	7.2
Gulf Coast Region	**5.6**	**5.5**	**6.8**
Kenai Peninsula Borough	5.2	5.2	6.2
Kodiak Island Borough	6.6	5.7	9.4
Chugach Census Area	3.9	4.5	7.1
Copper River Census Area	13.7	14.2	8.7

	Prelim.	Revised	
	12/22	11/22	12/21
Southeast Region	**4.3**	**4.1**	**4.9**
Haines Borough	9.7	8.5	10.6
Hoonah-Angoon Census Area	10.1	8.2	8.8
Juneau, City and Borough	2.9	2.9	3.4
Ketchikan Gateway Borough	4.6	4.7	5.6
Petersburg Borough	7.1	6.4	7.1
Prince of Wales-Hyder Census Area	5.9	5.9	6.8
Sitka, City and Borough	2.8	2.9	3.5
Skagway, Municipality	13.1	12.2	15.7
Wrangell, City and Borough	5.9	6.0	6.9
Yakutat, City and Borough	6.6	6.7	7.0

How Alaska Ranks



Note: Government employment includes federal, state, and local government plus public schools and universities.
[1]December seasonally adjusted unemployment rates
[2]December 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	+8.4%
Commodity prices				
Crude oil, Alaska North Slope,* per barrel	$79.32	Dec 2022	$76.13	+4.2%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	$5.77	Dec 2022	$3.86	+49.5%
Gold, per oz. COMEX	$1,945.40	1/24/2023	$1,844.20	+5.5%
Silver, per oz. COMEX	$23.55	1/24/2023	$23.80	-1.1%
Copper, per lb. COMEX	$4.26	1/24/2023	$4.41	-3.4%
Zinc, per lb.	$1.53	1/24/2023	$1.65	-7.3%
Lead, per lb.	$0.94	1/24/2023	$1.03	-8.7%
Bankruptcies	54	Q3 2022	40	+35%
Business	3	Q3 2022	2	+50%
Personal	51	Q3 2022	38	+34.2%
Unemployment insurance claims				
Initial filings	4,211	Dec 2022	5,767	-26.98%
Continued filings	27,297	Dec 2022	36,428	-25.07%
Claimant count	7,384	Dec 2022	9,343	-20.97%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Energy Information Administration; Kitco; U.S. Census Bureau; COMEX; NASDAQ; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

EMPLOYER RESOURCES

Use AlaskaJobs for Work Opportunity Tax Credit

Alaska's Work Opportunity Tax Credit program offers substantial federal tax credits — between $1,200 and $9,600 per eligible new employee — to employers who hire certain at-risk job seekers. Examples include unemployed and disabled veterans; veterans, other public assistance recipients, and their families; those with disabilities; the long-term unemployed; qualified felons; and some residents of Rural Renewal Counties and designated Empowerment Zones.

Alaska employers can submit WOTC requests through the online AlaskaJobs system. Whether your business is new to the program or has applied before, AlaskaJobs is your path to these tax credits and the most timely and efficient way to manage requests and communication.

Employers must establish an account to submit new requests or connect with their existing WOTC portfolio in AlaskaJobs. Click here for instructions.

Once you have opened your AlaskaJobs account, you can also enlist a third party, such as your tax preparer or payroll processor, to submit tax credit requests and manage your portfolio. For information and IRS Form 2848, required for third-party representation, visit the IRS here.

To activate your AlaskaJobs WOTC account or ask questions about the WOTC program, please email dol.wotc@alaska.gov. Assisting employers is our first priority.

For AlaskaJobs assistance, contact your local Alaska Job Center or call (877) 724-2539.

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