

# Southeast jobs forecast for 2025

## Tourism flourishes but seafood industry still struggling

By DAN ROBINSON

**S**outheast Alaska's economic drivers — the sectors that bring money into the region by providing goods and services to people outside it — generated 1.9 percent job growth in 2024. We forecast the region will add another 1.3 percent in 2025.

Among those key sectors, tourism has soared in recent years, federal and state government and mining have remained stable, and the interconnected fishing and seafood processing sectors have struggled.

Migration-related population losses remain a persistent challenge for the region and the state. For 12 straight years, more people have left Alaska than moved in, disproportionately affecting the working-age population — Alaskans from 18 to 64.

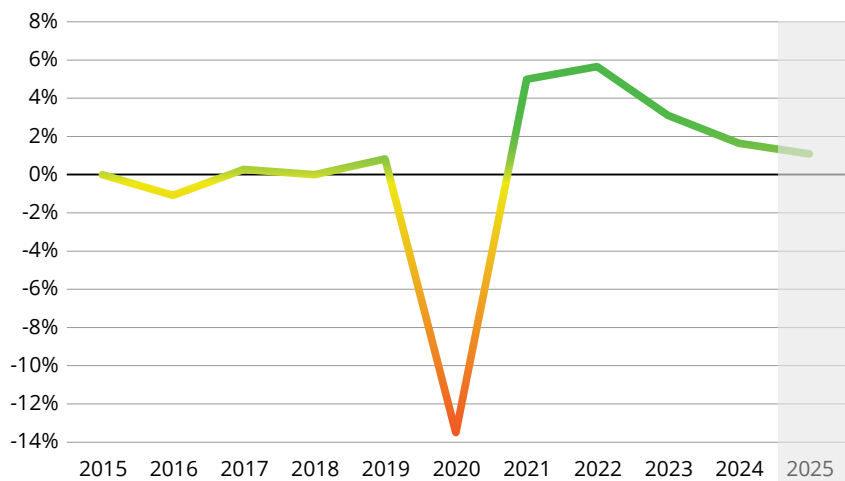
As a result, filling jobs has become unusually difficult. Employers have had to hire increasing numbers of nonresidents, make do with lower staffing levels, or both.

### Cruise ship visits will hold steady at historically high levels

In 2014, about 970,000 people visited Alaska on cruise ships. Ten years later, the number had nearly doubled to 1.8 million. (See the chart on page 16.)

The growth didn't come on a smooth trajectory. After reaching 1.3 million visitors in 2019, the count neared zero in 2020 with COVID-19. Visitor counts were a small fraction of normal the following year before climbing back to 1.2 million in 2022 and then jumping by nearly half a million in 2023.

### More minor employment growth for Southeast



Note: 2023 and 2024 are preliminary.

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

The impact of hundreds of thousands of additional cruise ship visitors shows up in a variety of industries. The most obvious is leisure and hospitality, where jobs in restaurants, bars, hotels, RV parks, and museums are grouped.

Other industries that benefit include retail trade — 1.8 million visitors are many potential customers — transportation, health care, and local government. Among other economic impacts, the cruise ship industry generates significant local tax revenue.

Despite nearly half a million more cruise ship passengers arriving, however, leisure and hospitality employment in 2024 was slightly above 2018 levels and retail employment was below. Employers are likely still adjusting to the jump in visitors and looking to add workers, to the extent they can find them.

Here, as with other industries, some of those additional workers will have to be nonresidents. The overall nonresident worker percentage in Alaska has been rising, and for visitor-related employers, it was 34 percent in 2023: nearly four percentage points above the 10-year average.

Whether by hiring more nonresidents or finding new

# The outlook for jobs in the Southeast Region, by industry

	Monthly avg, 2023 <sup>1</sup>	Monthly avg, 2024 <sup>1</sup>	Change, 2023-24	Percent change	JOBS FORECAST		
					Monthly avg, 2025	Change, 2024-25	Percent change
<b>Total Nonfarm Employment<sup>2</sup></b>	<b>36,600</b>	<b>37,300</b>	<b>700</b>	<b>1.9%</b>	<b>37,800</b>	<b>500</b>	<b>1.3%</b>
Total Private	28,200	28,800	600	2.1%	29,400	600	2.1%
Mining and Logging	1,100	1,200	100	9.1%	1,200	0	0%
Construction	1,500	1,500	0	0%	1,600	100	6.7%
Manufacturing	1,700	1,700	0	0%	1,600	-100	-5.9%
Seafood Processing	1,200	1,100	-100	-8.3%	1,000	-100	-9.1%
Trade, Transportation, and Utilities	7,300	7,600	300	4.1%	7,700	100	1.3%
Retail Trade	4,000	4,100	100	2.5%	4,100	0	0%
Information	300	300	0	0%	300	0	0%
Financial Activities	900	1,000	100	11%	1,000	0	0%
Professional and Business Services	1,700	1,600	-100	-5.9%	1,700	100	6.3%
Educational (private) and Health Services	4,200	4,100	-100	-2.4%	4,200	100	2.4%
Health Care	2,800	2,800	0	0%	2,900	100	3.6%
Leisure and Hospitality	4,300	4,600	300	7.0%	4,900	300	6.5%
Other Services	1,200	1,300	100	8.3%	1,300	0	0%
Total Government	12,300	12,600	300	2%	12,500	-100	-1%
Federal, except military	1,400	1,400	0	0%	1,400	0	0%
State, incl. University of Alaska	4,300	4,400	100	2%	4,400	0	0%
Local and tribal, incl. public schools	6,600	6,800	200	3.0%	6,700	-100	-1%

<sup>1</sup>Preliminary and adjusted estimates. <sup>2</sup>Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

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

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sources of Alaskan workers, recent years' dramatic increase in cruise ship visitors is projected to generate several hundred additional jobs scattered across a variety of Southeast industries in 2025.

## Rough seas for seafood industry

Fishing and seafood processing have been part of Southeast's economic foundation since well before statehood. Fishing jobs aren't captured by our forecast because seafood harvesters are mostly self-employed, but we produce separate annual estimates of harvesting employment.

Through 2023, our estimates show Southeast's number of fish harvesters leveled off at around 1,700 after falling by 500 over the previous five years.

Seafood processing employment declined to 1,100 in 2024. The decade loss has been dramatic; the job count in 2014 was 1,800.

It's been a rough few years for fishing and processing alike, and the biggest disruptions have had almost no link to the pandemic. As we wrote in [November Trends](#), the current obstacles weigh heavier on the market side than the biological side. In other words,

we have significant levels of most species to catch, with a few notable exceptions, but selling them profitably has become increasingly difficult.

Russia has harvested massive numbers of salmon in recent years, raising the world supply at the same time the Russian ruble's low value on international exchanges has allowed it to sell salmon and roe at unusually low prices. The ongoing trade war with China is another factor, as it has cut U.S. exports to the Chinese market.

Southeast has had a handful of small-scale successes with aquaculture, and its fishing and processing sectors will likely stabilize in the next few years. If current trends hold, they will settle at lower employment levels, with more out-of-state people catching and processing Alaska fish.

We forecast a loss of about 100 seafood processing jobs in 2025. Fishing jobs and wages will also make a shrinking economic contribution regionally.

## Infrastructure Act contributions and the timing are uncertain

The federal 2021 Infrastructure Investment and Jobs Act was massive, budgeting \$1.2 trillion to be spent nationally over eight years. The \$5 billion-plus for

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Alaska has been injecting money into the state and regional economies over the last couple of years, but isolating and quantifying the specifics of that spending have been difficult.

Construction job counts have risen sharply statewide but stayed almost flat in Southeast, suggesting much of the money and job growth haven't yet reached the region. There's little question the announced projects will provide a strong stimulus, but the timing of the job gains for Southeast remains fuzzy.

We forecast an additional 100 construction jobs in Southeast in 2025 and a boost to several other sectors connected to the Infrastructure Act spending.

## The administration change and its effects on federal jobs

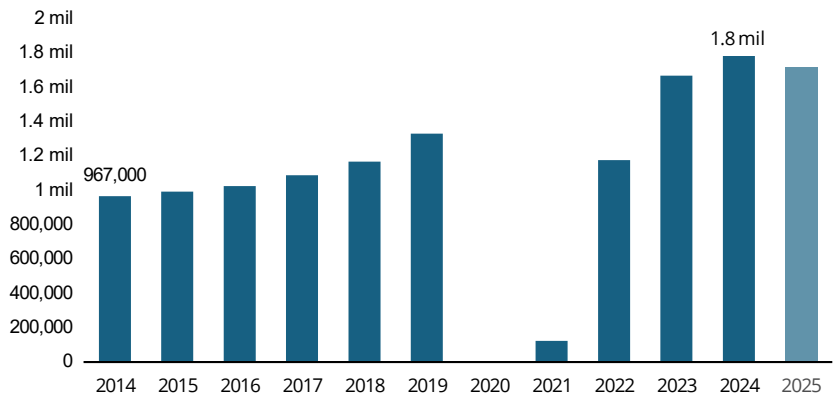
President-elect Donald Trump, who takes office on Jan. 20, has announced that a new Department of Government Efficiency will significantly reduce the size and expense of the federal government. It's too early to know what that might mean for the 15,000 federal workers in Alaska or the 1,400 in Southeast, but growth appears unlikely.

Active-duty military jobs aren't part of the standard wage and salary job counts this forecast covers. Those include the Coast Guard, which is particularly relevant to Southeast, especially with the announced homeporting in Juneau of a new icebreaker and its 190 personnel and 400 family members within the next two years.

Aside from the military, most federal jobs in Alaska are in the Department of the Interior, which manages the country's public lands, national parks, and wildlife refuges. The Department of Agriculture, which houses the Forest Service, is another large federal employer. The Forest Service manages the Tongass National Forest — the nation's largest — which covers most of Southeast Alaska.

Other federal agencies with significant numbers of workers in Alaska and Southeast include the U.S. Postal Service, the Federal Aviation Administration,

## Cruise ship passenger count climbs



Sources: Cruise Industry News, 2022 Annual Report; Rain Coast Data 2021; and Cruise Lines International Association 2022-2023

and the departments of Homeland Security and Veterans Affairs.

## Continuing budget instability and state government jobs

According to a 2024 report from The Pew Charitable Trusts, Alaska's tax revenue was more volatile than any other state over the 15 years ending in 2022. The main driver of that volatility was Alaska's dependence on oil-related revenues; the state with the next-most volatile tax revenue was North Dakota, which also depends on oil for tax revenue but has state sales and income taxes as well.

For years, Alaska's oil revenue was sufficient to fund its state government and build up savings accounts, including the Alaska Permanent Fund, currently valued at \$79 billion. After oil revenue plummeted and other savings were mostly drained, Alaska began tapping the investment earnings from the Permanent Fund in 2019. For the foreseeable future, that source of revenue is projected to be the state's largest, with oil-related revenue providing most of the rest.

Other states' revenue mostly comes from a combination of broad-based income and sales taxes, which rise and fall with economic and job growth. In Alaska, global oil prices and national and international investment markets dictate the state's revenue from year to year. To the extent budget stability is important to a state and its institutions, Alaska's revenue volatility is a disadvantage, especially with depleted savings.

Budget instability is less of a problem when revenues swing wildly toward the positive, as has happened many times in Alaska's history. In that

## Southeast Forecast

situation, a state can either spend the windfall or replenish its savings accounts to fill holes and cushion volatility in the years when revenue falls.

Windfall years have been scarce for the last decade, though, and are unlikely for the foreseeable future given Alaska's oil production forecasts and prices.

One of the consequences has been a shrinking

state government. Southeast had 5,500 state government jobs in 2014 and 4,300 in 2023, a 22 percent decline with a corresponding loss of services.

State government employment rose slightly in Southeast in 2024, and the forecast is flat at 4,400 total jobs. The budget problems are far from solved, however, and will broadly impede growth.

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## Anchorage Forecast

Continued from page 10

changed the way their services are delivered: information, financial activities, and retail.

Employment in the information industry peaked in 2001 at 4,800 and was half that by 2024. The industry, which includes jobs in radio and television, newspapers, and telecommunications, has seen drastic reforms to its products and revenue models as news and entertainment have moved online. We project a 3.7 percent decline in 2025.

Finance employment peaked in 2007 at 9,200 and is now 32 percent lower. Today, personal banking is largely self-service through the internet and ATMs. Many wealth management and insurance services are performed remotely by staff in corporate headquarters outside of Alaska who can video call clients. We forecast a further 3.2 percent reduction in this

sector's employment in 2025.

Anchorage's retail employment peaked in 2015 at 18,100 and is now 16 percent lower. The industry has faced growing e-commerce pressure and years of new technology, such as self-checkouts. After losing 9 percent of its jobs during the pandemic restrictions of 2020, retail recovered slightly for a few years before shifting back to annual cuts.

It may not be a coincidence that 2024's 1.9 percent retail job loss coincided with the first full year of operation for the Anchorage Amazon distribution center, which recently celebrated more than 3 million packages delivered. We expect similar retail job losses in 2025 (-2 percent).

Barring unexpectedly large population increases in the future, there is little reason to believe these industries will ever return to their peak job levels.

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## Statewide Forecast

Continued from page 7

### Health care

Health care continues to grow, with 1,200 additional jobs forecasted in 2025. Alaska's services are still expanding. According to the Centers for Disease Control, Alaska had 10 physicians per 10,000 people in 1985, which grew to 28.3 by 2019. The rising needs of an aging population also contribute to growth.

Major projects like the Alaska Native Tribal Health Consortium's multi-year Anchorage emergency room expansion began as construction jobs this year and will boost health care when the facility opens.

As the health care industry develops, the ownership landscape also changes. For example, in recent years, the nonprofit tribal Southeast Regional Health

Consortium, expanded its services and took over both private and public practices and facilities.

### Industries in decline

Manufacturing will lose jobs this year because of the instability in seafood processing, but other industries will continue their long-term losses stemming from changes in how they do business.

The internet and self-service have become the norm in banking, investing, and insurance. The information sector includes cellphone companies and print, radio, and television. Changing technology and business practices have also reduced their need for workers.

Retail has also faltered in recent years because of online sales, self checkout, and population stagnation.

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