# Long-term population decline

### Projections show a 2% statewide loss from 2023 to 2050

#### By DAVID HOWELL

ur latest long-term population projections for Alaska show the state declining from about 737,000 people in 2023 to 723,000 in 2050, a 2 percent decrease.

This is the first time we have projected statewide decline in the long term. Previous releases showed Alaska losing population in the latter part of the projected decades but still growing overall.

### Three possible trajectories for state's population



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

The projected decrease stems from prolonged net migration losses and the number of births losing ground to the number of deaths. While the size of Alaska's population is not projected to change much over the next 27 years, its makeup will shift to a considerably older state with a much smaller number of children.

### Average yearly natural increase\* by decade



1990-2000 2000-2010 2010-2020 2020-2030 2030-2040 2040-2050

\*Natural increase is births minus deaths.

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

Different migration scenarios and results

For the projections, we use longterm averages to show what the population will look like if current trends continue.

For net migration, or in-movers minus out-movers, we use a 30-year average — and the now-11-year streak of net migration losses has turned the long-term average rate increasingly negative. This round of projections uses a net migration rate of -0.3 percent; for comparison, the previous release used -0.2 percent.

We apply the same long-term average each year over the coming decades. That's not to say we won't see spikes and dips in migration, but if the next 30 years resemble the previous 30, that rate is the average amount we expect to lose to migration each year between 2023 and 2050.

Migration is uncertain, however, and especially over such a long span. For that reason, we also produce high and low scenarios to show what might happen if trends change. (See the graph on the previous page.)

The high scenario uses a net migration rate of 0.5 percent a year. Alaska has seen higher inflow rates over the last 30 years, but not for sustained periods.

The low scenario uses -1.0 percent, similar to the loss rate between 2016 and 2020 when Alaska's population declined overall.

Under the high scenario, Alaska would gain between 3,700 and 4,500 people annually from migration, leading to rapid population growth. If Alaska were to average a 0.5 percent inflow each year over the next 27, the population would reach 911,100.

On the other hand, the -1.0 percent low scenario would reduce the population to 587,600 by 2050: a loss of between 5,900 to 7,300 people to net migration each year.

### Changes in deaths and births

Natural increase, or births minus deaths, has trended downward since the late 2000s with the decline accelerating in the middle of the last decade. During the past two years, natural increase hit its lowest level since the early 1950s, when Alaska had fewer than 200,000 people.

Natural increase will continue to dwindle over the next few decades. Alaska gained 3,550 residents through natural increase over the past year, and we project that will fall to just 300 in 2049-2050.<sup>1</sup>

As births have decreased, deaths have increased more. Alaska recorded 5,580 deaths last year. We project deaths will rise 37 percent by 2050, peaking at 7,740 in 2045-2046, the year the oldest baby boomers would turn 100.

### Youngest, older population numbers to reverse



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

An increasingly older population is the reason deaths are projected to climb; in other words, the overall mortality rate in Alaska hasn't gone up.

Deaths are sure to increase unless a massive number of older people leave the state, but births are far less certain.

We expect births to decline by 13 percent between 2023 and 2050. Similar to deaths, fewer births will result from an older population; that is, the population will have fewer women of child-bearing age.

Alaska's total fertility rate, the average number of children per woman in her lifetime, appears to have bottomed out in recent years. Alaska's fertility rate is 1.9, below the level needed to replace the existing population (2.1).

Despite being below replacement level, Alaska's fertility rate remains among the highest in the country. Only South Dakota and Nebraska had higher fertility rates in 2022, and no state's rate reached replacement level that year. At 2.0, South Dakota's rate came closest.

### The growth trends are different for the Alaska Native population

Alaska Natives have long maintained a fertility rate above replacement level — currently 2.8 — which generates steady growth from natural increase. The Alaska Native population loses population to migration, but its growing youth population offsets those losses.

We project the Alaska Native population will grow

<sup>&</sup>lt;sup>1</sup>Natural increase and net migration are calculated from July 1 of one year to June 30 of the next.

### Projected population change by Alaska area from 2023 to 2050



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

13 percent between  $2020^2$  and 2050, from 160,300 to 181,900.

With the statewide population declining, Alaska Natives will make up a growing share of the state, rising from 22 percent of Alaskans in 2020 to 25 percent in 2050.

## Senior population to peak in 2036, then temporarily decline

Alaska had 110,500 residents who were 65 or older in 2023, representing 15 percent of the population. The senior population will peak in 2036 at a projected 135,200 people before declining as baby boomers enter the highest mortality ages.

The 65-plus population will resume growing in 2045 as the oldest millennials, another large generation, begin to turn 65. During the latter part of this projection horizon, seniors will make up between 17 and 18 percent of the population. Beyond 2050, millennials' aging will rapidly increase the senior population. Among Alaska Natives, the senior population will also grow considerably over the next few decades, by a projected 131 percent, to reach 32,300 in 2050.

## Fewer working-age people and youth and the resulting challenges

We project a long-term decline in the working-age population, ages 20 to 64. The decrease will be steady between now and 2030 as all baby boomers surpass 65, reducing the working-age number from 430,700 to 423,700.

The working-age population will then rebound to its current size by 2040 before dropping again as millennials start to reach retirement age.

Working-age declines won't be evenly distributed by age group over the next 27 years. With millennials aging, the population aged 20 to 39 will decline by a projected 29,000 while the 40-to-64 group will rise by 21,400.

Once millennials begin to turn 65, the working-age population will decline rapidly because the younger generations aren't large enough to replace them.

<sup>&</sup>lt;sup>2</sup>We use decennial census data to project for the Native population, so this section's projections begin with 2020 rather than 2023.

The number of young Alaskans from birth to age 19 is the smallest it's been since 1991, at 195,700. Through 2050, this group will decline by an estimated 14 percent, to 169,100 kids and teens.

As the number of young people falls, so will their share of the total population, from 27 percent in 2023 to 23 percent in 2050. The decline will come from a combination of lower birth rates and fewer young workers moving to Alaska than we've seen in the past.

A falling youth population will likely mean future labor shortages. As the graph on page 5 shows, Alaska currently has 25,000 more people aged 0-19 than 45-64, but by 2050 that will flip to 20,000 more in the older group.

### Regional population projections

See the job growth map on page 16, which shows Alaska's regions and which boroughs and census areas they include.

### Southwest Region: +11%

The Southwest Region has a younger population than the rest of the state, with high fertility rates that mean steady growth through natural increase. Southwest does lose population to net migration, but natural increase easily makes up for it.

Strong natural increase makes Southwest the fastest-growing region, and we project it will grow 11 percent by 2050 (4,700 more people).

### Northern Region: +4%

Like Southwest, the Northern Region is young and its natural increase offsets net migration losses. The Northern Region will be the second-fastestgrowing in the long term, at a projected 4 percent (a 1,200 gain by 2050).

#### Anchorage/Mat-Su: +1%

The Anchorage/Matanuska-Susitna Region is the only other region we expect to grow over the next few decades. As has been the case since 2016, For detailed population projections, see: live.laborstats.alaska.gov/article/alaska-population-projections

though, only Mat-Su will grow. Anchorage's population is projected to shrink.

Like the Southwest and Northern regions, Anchorage/Mat-Su is projected to gain residents through natural increase and lose them to net migration.

### Gulf Coast: -4%

The Gulf Coast Region will grow initially but start to decline in 2030. The Gulf Coast is currently the oldest region in Alaska, and by 2030, its deaths will start to outnumber births (natural decrease).

Combined with small net migration losses, natural decrease points to an overall population decline of 4 percent by 2050.

### Interior Region: -7%

Military transfers boosted the Interior between 2020 and 2021 but the region has lost people since. Based on longer-term trends, these losses will continue as natural increase won't offset future migration outflows.

Unlike the other regions we project will shrink, the Interior is young and likely to maintain natural increase gains throughout the projected period. However, its projected annual natural increase will decline from nearly 800 per year to under 300 by 2040.

### Southeast Region: -17%

We project the Southeast Region's population will decline the most, by 17 percent between 2023 and 2050 (-12,000).

Southeast is older than most of the state and its birth rates are lower, leading to natural decrease. Deaths outnumbering births throughout the projected period and net migration losses point to a steady population decline in Southeast.

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