

# Mat-Su Borough's outlier economy

## Economy, population trajectory over decades stand out

By SAM TAPPEN

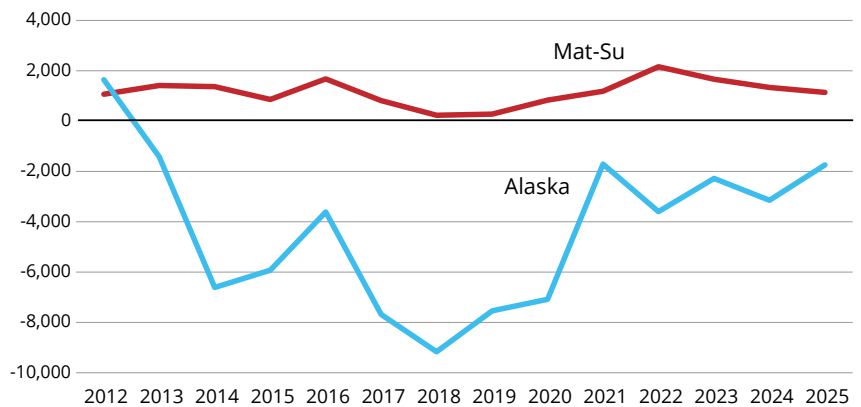
The Matanuska-Susitna is unrivaled by any other borough or census area in Alaska for its sustained growth over the last few decades. That growth helped create a unique economy that differs from the rest of the state in five fundamental ways.

### Mat-Su is No. 1 for attracting movers

Over the last 20 years, no other area in Alaska has consistently added to its population through net migration the way Mat-Su has. Net migration is simply the number of people who move into an area in a year minus the number who leave.

Over those two decades, net migration added about 1.5 percent on average to the borough's population each year.

### Mat-Su's migration gains have been steady

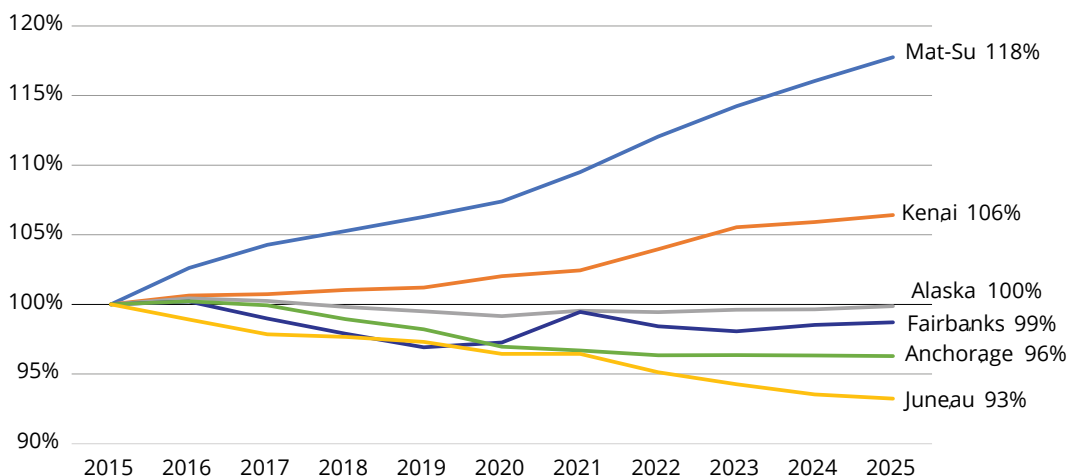


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

This statistic is even more impressive when compared to the statewide total, as shown above. Alaska has lost people to net migration for the last 13 years, by far its longest streak since statehood.

While Mat-Su's net migration has typically followed the direction of the statewide trend, the annual total has not dropped below zero in any of these years. Most other areas have followed the state into negative territory during this streak.

### 2025 populations in Alaska as a percentage of their 2015 level

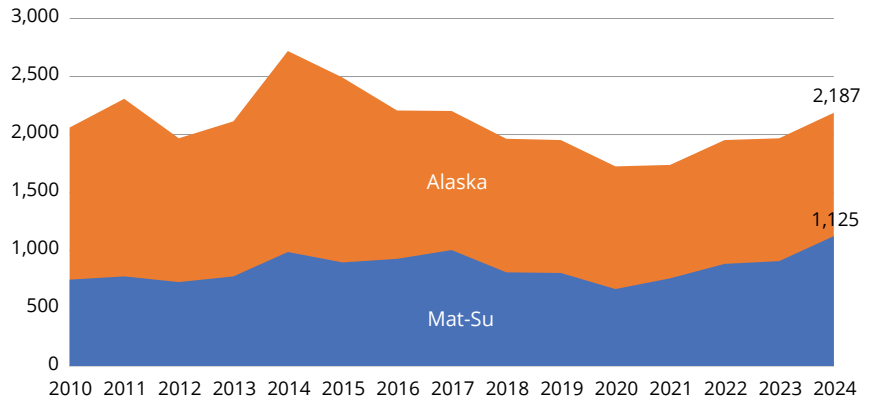


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

National data show that net migration flows to and from Alaska typically do not add significantly to Mat-Su's population, meaning nearly all of its migration gains come from within the state.

Mat-Su draws from nearly everywhere in the state, but in 2025, the largest numbers came from Fairbanks (6 percent), Kenai (7 percent), and, not surprisingly, Anchorage (69 percent). Thousands relocate between Mat-Su and Anchorage every year, but on average, the borough typically nets about 1,000 new residents annually from Anchorage.

## Half of new Alaska homes were built in Mat-Su



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation

## The borough has the highest population growth rate

Over the last 20 years, Mat-Su has grown at an average rate of over 2 percent per year. For reference, the state's growth has averaged about half a percent annually.

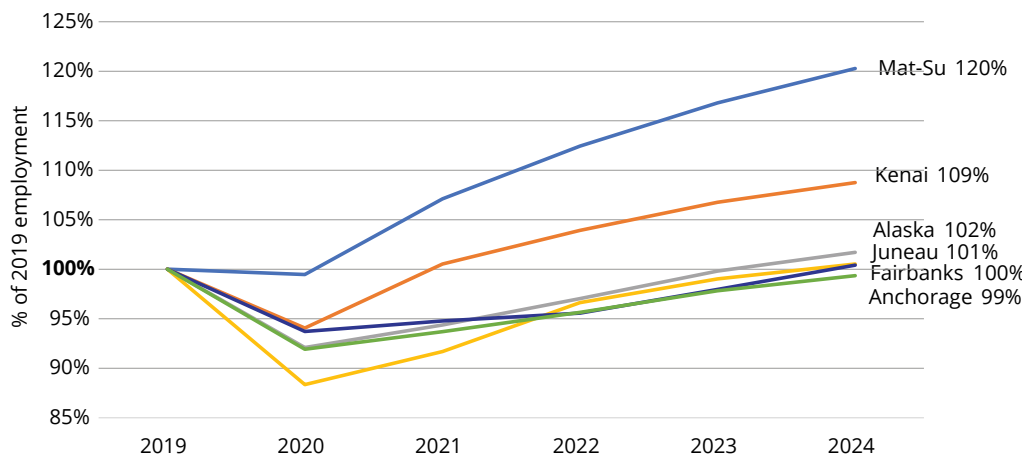
The graph at the bottom of page 4 shows that Mat-Su's growth proved especially resilient amid challenging economic conditions of the last decade.

Most areas have been losing population since the start of the 2015 state recession and still haven't regained those levels a decade later. The major outliers are Mat-Su and Kenai, which have grown by 18 and 6 percent, respectively, since 2015.

One population that economists pay special attention to is the working-age population (18 to 64) because this group makes up the majority of the labor force. With persistent net out-migration and the disproportionately large baby boomer generation retiring simultaneously, Alaska's working-age population has shrunk by about 37,000 since peaking in 2013. In Mat-Su, however, the working-age group grew by almost 8,000 during that time.

Population growth comes from both net migration, as mentioned earlier, and natural increase, which is births minus deaths. Given Mat-Su's long-running exceptionalism in population growth, it would make sense to assume the borough also has high rates of natural increase, but in reality, Mat-Su's natural increase rate is almost identical to the state average, adding just under 1 percent to the borough population each year. This means the borough's outlier

## Employment recovery by area since the pandemic losses



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

population growth is almost entirely attributable to consistent net inflows of people.

## Slight majority of new housing in Alaska is built in Mat-Su

Mat-Su has gained the lion's share of new housing units in the state in each of the last 20 years. As the exhibit at the top of the previous page shows, Mat-Su's share has increased, accelerating in recent years as construction slowed in Anchorage and elsewhere. In 2024, 51 percent of all new homes built in Alaska were in Mat-Su.

As Mat-Su's share grew, Anchorage's continued to fall, to only 16 percent of the new construction in 2024. Mat-Su now builds more than three times as many new homes as Anchorage each year, despite having less than half the population.

Mat-Su's residential construction industry has significant comparative advantages over Anchorage's that helped it supplant its urban neighbor. These include abundant greenfield land, which can be developed more affordably; a more accommodating regulatory environment; and lower-cost labor.

However, the cost differential between Mat-Su and Anchorage housing has been shrinking. From 2015 to 2024, the difference in the average price of a single-family home between the two areas shrank from \$97,000 to \$62,000.

## Employment growth has also topped the state

Mat-Su's number of jobs nearly doubled over the last 20 years as statewide employment increased by about 11 percent.

The exhibit at the bottom of the previous page shows how the economies of Alaska and its largest areas recovered after the pandemic recession that started in 2020. Alaska initially lost 26,000 jobs, or about 8 percent of total employment, and took four years to recover to 2019 pre-pandemic levels.

The Mat-Su economy had less of the industry employment that took the biggest hit during the pandemic, and it continued to expand to serve its ever-growing population. The borough lost just 100 jobs in 2020, and then grew faster than nearly every other area in each subsequent year.

## Commuters by area, 2024

Borough/census area	% working elsewhere	2024 avg wage
Anchorage	10%	\$74,280
Fairbanks	12%	\$68,412
Juneau	6%	\$68,352
Kenai	17%	\$61,848
<b>Mat-Su</b>	<b>39%</b>	<b>\$58,080</b>
Statewide avg	15%	\$71,220

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

Mat-Su played an outsized role in the state's economic recovery from the pandemic recession. The borough makes up about 9 percent of Alaska's economy in terms of job numbers. But Mat-Su's growth after 2020 represented between 12 and 25 percent of the state's total job growth annually.

## Mat-Su has the most commuters

In 2024, only 61 percent of Mat-Su's 49,000 employed residents worked within the borough. Of the 19,100 who worked outside Mat-Su, the largest numbers went to Anchorage (67 percent), North Slope (15 percent), Kenai (2 percent), Fairbanks (2 percent), Northwest Arctic (2 percent), and the remainder of the state (13 percent) for work.

The table above shows just how much of an outlier Mat-Su is for commuting. While 39 percent of Mat-Su residents commuted out, just 15 percent of all Alaska workers did.

This trend is driven largely by the 13,000 Mat-Su residents who work in Anchorage, but also by many construction, oil and gas, and metal mining workers commuting to remote work sites such as Prudhoe Bay and the Red Dog Mine.

The primary motivator, given the costs and time associated with commuting across the state, is likely higher wages. Of the 19,100 who worked outside Mat-Su in 2024, 94 percent were working in a higher-wage area.

Having so many of its workers leave the borough is a double-edged sword for Mat-Su's economy.

On one hand, it allows residents to increase their disposable income by taking advantage of other areas' higher wages and the relatively low cost

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substantially since; however, 2019 was an unusually high year.

Kobuk Valley also lost relatively few visitors in 2020, probably because its visitors are mostly Alaskans. Visits dropped sharply in 2025, coinciding with major changes in the way the park tallies visitors.

## The location and trajectory of national park jobs in Alaska

In terms of employment, the National Park Service averaged 869 park jobs in Alaska in summer 2019, which covers April through September. These include park staff and regional operations, which are mainly in Anchorage and Fairbanks.

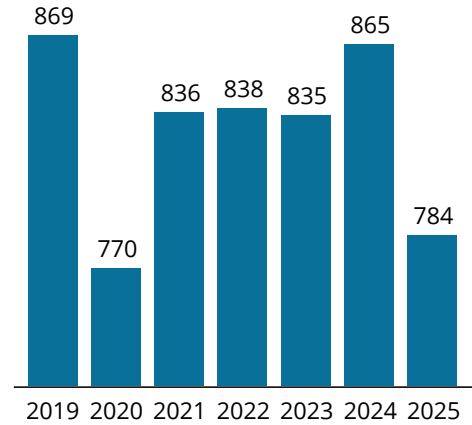
The Park Service cut 100 jobs in 2020, then re-staffed to around 840 for the next three years.

In 2025, when the Trump administration was sworn in for its second term, the federal government cut thousands of jobs across all departments, and Alaska's Park Service employment fell to levels almost as low as 2020 (770).

By area, the Denali Borough had the most Park Service jobs in summer 2025, at 171. The Hoonah-Angoon Census Area, home to Glacier Bay, came in second at 145. Hoonah-Angoon also has the highest concentration of federal employment in Alaska because of its large park and relatively small economy. Anchorage also stands out as the Park Service headquarters, with 134 jobs.

Cruise ship tourism in 2026 is anticipated to be

## Park Service jobs in Alaska



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

robust, with about 10 percent more passengers than in 2025. About 1.97 million cruise ship visitors are expected.

Independent and international traveler numbers are less certain. International tensions have dampened tourism expectations somewhat, and the recent U.S. war with Iran has pushed fuel prices up, which is also likely to reverberate through the tourism industry.

Federal job cuts will also continue to materialize in 2026's employment numbers, although to what degree isn't yet clear.

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## MAT-SU

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of living in the Mat-Su Borough. Our Alaska housing affordability index shows that home-buying is relatively less affordable for people living and working in Mat-Su than for those living and working in Anchorage.

Even though housing costs less in Mat-Su, its lower average wages more than offset the savings. The greatest affordability is for those who earn higher wages in Anchorage and live in Mat-Su.

The drawback is the loss of economic activity to other parts of the state. While these workers bring back much of their income to spend within the borough, some is spent outside Mat-Su's economy.

This outlier statistic has diminished over time, though. Twenty years ago, nearly half of the borough's workers were employed elsewhere. But as Mat-Su continues to mature from a suburb of Anchorage to a more independent economy that offers its own specialized goods and services, more quality employment opportunities will continue to become available locally.

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