Population projections for 2019-2045

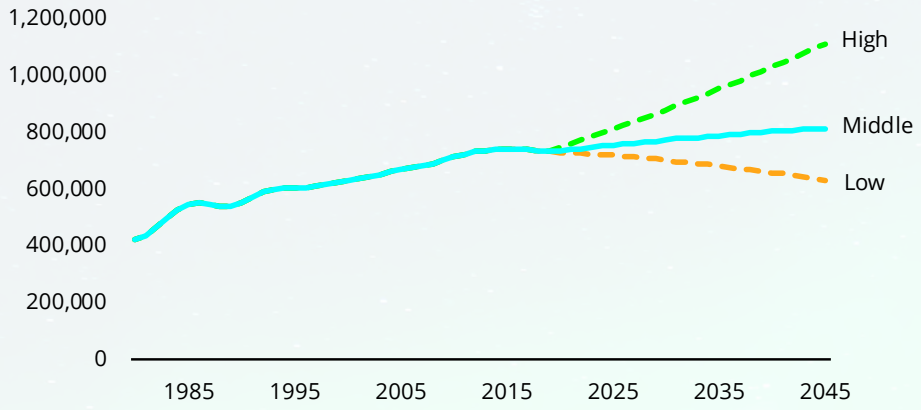
The long-term outlook and short-term considerations for Alaska

By DAVID HOWELL

We developed the newest 25-year population projections for Alaska before COVID-19 hit, but the coronavirus is a good example of a development the long-term projections don't model. Projections are based on Alaska's population trends over the past decade, and in some cases longer.

We don't yet know whether COVID-19 will alter Alaska's population patterns in the long term — or even in the short term.

Slow long-term growth the most likely scenario



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

Population effects in the short term from the arrival of COVID-19

Between Feb. 20 and March 20 alone, Alaska reported its first case of COVID-19, oil prices fell by 50 percent, and the stock market's leading index funds declined by a third.

These types of disruptions will affect population numbers somewhat in the short term, but even that is hard to quantify. For example, birth rates will likely decrease again this year, but it will be difficult to tell whether that was tied to COVID-19 or a continuation of recent years' birth declines.

We also don't know whether the virus will be severe enough to alter mortality rates, but as of late April it looks unlikely, even for the vulnerable older age groups. While early disease models predicted as many as 1,000 deaths in the state from COVID-19, shelter-in-place mandates and other prevention measures appear to have reduced virus transmission significantly so far, and the state has reported just nine deaths of May 1.

Migration is by the far the most uncertain component of population change. In the short term, a pandemic means fewer people will move both into and out of Alaska, but the biggest shift will be among summer tourism workers, who are largely nonresidents. Oil prices and the health of the state's economy will be bigger influences on migration rates over the next several years.

The rest of this article will focus on our long-term outlook for Alaska's population, from 2019 to 2045. For complete projections data, see the full publication available on our website.

Net migration losses will slow, allowing overall growth to resume

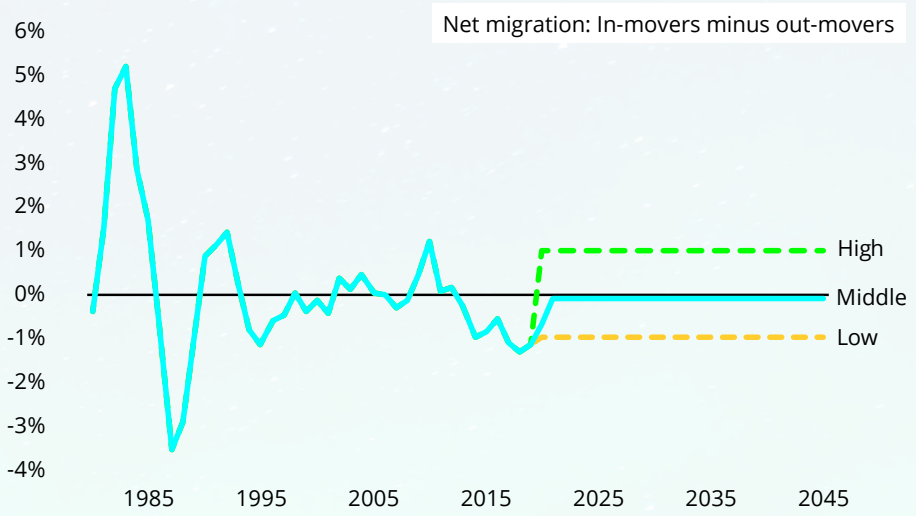
Alaska's population declined in each of the last three years, from a high of 739,649 in 2016 to 731,007 in 2019. The recent losses were mainly due to more people leaving Alaska than moving in, or negative net migration.

Population loss is not Alaska's norm, and it's not

projected to continue. We project Alaska will gain nearly 83,000 people overall between 2019 and 2045. That would be much less growth than Alaska saw over the last 26 years, during which the state's population grew by about 130,000 people.

We include high and low projections to show a range of possible outcomes (see the prior page). The high scenario projects Alaska's population would reach more than 1.1 million people by 2045 and the low scenario projects a decline to less than 632,000.

Small net migration losses projected to continue



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

The projected growth is lower than our historical norm based on Alaska's negative net migration trend over much of the last decade. The state *gained* more than 13,000 residents from net migration between 2008 and 2012, in the aftermath of the national recession that hit the Lower 48 much harder than it did Alaska, but since then we've lost nearly 46,000 people to net migration. Long-term net migration is projected to remain negative, but not at the rates we've seen recently.

Alaska's net migration rate has been about -1 percent over the last three years, and historically it's remained close to zero. We project a net migration loss of 5,083 people from 2019-2020 that will slow to around 700-800 annually thereafter (-0.1 percent). Net migration losses that small would allow Alaska's population to resume growing through natural increase, or births minus deaths.

Because migration rates are so uncertain, we also produce high and low scenarios, as the graph on this page shows. The low end projects a net migration rate of -1.0 percent, which would be roughly equivalent to our most recent year's net migration. The high scenario's rate is 1.0 percent.

Fewer births, more deaths will slow natural increase

Alaska has one of the highest fertility rates in the nation, but our rate has decreased in recent years. Declining fertility and an aging population have led to fewer births. In 2019, Alaska's annual number of births fell below 10,000 for the first time in 17 years.

At the same time, the number of deaths has steadily increased despite lower overall mortality rates, and this will continue as Alaska's large baby boom generation, born between 1946 and 1964, ages into the higher-mortality groups.

The combination of these trends will lead to slower annual natural increase in the longer term. We project Alaska will gain 5,642 people from natural increase from 2019 to 2020, but those gains will dwindle to just 3,156 from 2044 to 2045.

Overview of projected rates by demographics and area

An overview of the projections for age groups, Alaska Natives, and Alaska areas follows. See the full publication for detailed data.

Ages 0-19

Despite Alaska's high fertility rate, the population from birth to age 19 has been flat or declining since 2000, mainly because baby boomers' children have matured into the working ages.

The millennials, born between 1981 and 1996, have reached high fertility ages, leading to projected

growth in the 0-19 age group. The projections show a 2 percent increase by 2025 and 6 percent by 2045. This is based on current fertility rates holding steady, however, and recent years' declines make these numbers more uncertain.

Ages 20-64

The population between 20 and 64, roughly the working ages, has decreased since 2013 as the baby boomers have continued to age out of this group. This age group isn't projected to surpass its 2019 total until 2033; after that, its projected growth rises to 7 percent, which would produce a working-age population of 468,991 in 2045.

Because migration is such a big factor for this age group, there's a big difference between the three possible scenarios, which range from -23 percent to 59 percent. Alaska has historically gained working-age residents through net migration at the younger end, but lost population to net migration at older working ages.

Ages 65+

Alaska's population of senior citizens is projected to grow rapidly over the next 15 years, driven by the large group of baby boomers who moved to Alaska in the 1970s and 1980s and the fact that Alaska has historically had relatively small numbers of seniors.

Our current senior population represents just 12 percent of the total population, which we expect will reach 17 percent in 2036 when the 65-plus group hits a projected peak of 136,613 people. That would be 45,335 more seniors than we had in 2019.

Alaska Natives

We project steady growth for the Alaska Native population through 2045, driven by high birth rates. The Native population is projected to grow from 148,330 in 2019 to 170,783 in 2045 (a 15 percent increase).

Alaska Natives will also increase slightly as a percent of the total population, from 20 percent in 2019 to a projected 21 percent in 2045. Native youths were 28 percent of the population between ages 0 and 19 in 2019, and are projected to reach 29 percent in 2045.

Anchorage

Anchorage is projected to add 13,500 people between 2019 and 2045, a 5 percent increase. Negative net migration has led to population declines in five of the last six years. We expect the city's negative net migration will continue, but natural increase will offset the losses in the long term.

Mat-Su

The Matanuska-Susitna Borough has long been the only borough to grow steadily through net migration. Growth has slowed over the last few years, but positive net migration combined with a young population and high fertility rates will help Mat-Su remain the fastest-growing area of the state. We project the borough will grow 44 percent between 2019 and 2045.

Gulf Coast

The Gulf Coast region's projected natural increase is low because it's the state's oldest region. We project the region will grow 5 percent by 2045, but the gain of 4,298 people will be entirely in the Kenai Peninsula Borough. The Kodiak Island Borough and Valdez-Cordova Census Area are projected to lose population over the long term.

Interior

The Interior Region's population is smaller than it was in 2010 despite growth early in the last decade, although we expect it will grow in the long term.

Military deployments to the Fairbanks North Star Borough will increase net migration in the short term, and natural increase due to the region's young population is projected to offset small migration losses over the projections period.

Northern and Southwest

The Northern and Southwest regions are the youngest and have the highest fertility rates, which mean steady projected growth.

Southwest is the second-fastest-growing region in the projections, set to grow 17 percent between 2019 and 2045. The Northern Region is close behind at 14 percent.

Southeast

Southeast is the only region projected to lose population: a 5 percent decrease by 2045. Southeast is older than most of the state and has the lowest birth rates. The losses will be slow early on but pick up as the population continues to age.

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