

Pandemic's uneven effects by area

Damage was broad, but Southeast's job losses steepest

By NEAL FRIED

COVID-19 carved an uneven economic path through Alaska's 29 boroughs and census areas over the last two years, but it left few unscathed.

Closures, reluctant consumers, and the need to socially distance explain most of the job losses in every part of the state, albeit to varying degrees. Communities with larger service sectors lost the most to social distancing, as industries such as leisure and hospitality, retail, and transportation often require personal contact.

The lack of tourism last year also rippled through most areas of the state, but it hit hardest in Southeast, where the largest numbers of cruise ships would usually dock.

The worldwide economic slowdown and subsequent oil price collapse reverberated throughout Alaska as well. The oil industry's job losses hurt some communities more than others but stung the whole state.

It was a similar story with the fishing industry, a key economic driver in coastal Alaska in particular. While it's impossible to quantify COVID's precise harm to fish processing in 2020 because the industry is so volatile from year to year, the pandemic hampered hiring and required operational changes to keep the workforce safe. (See the November 2020 issue of *Trends*.)

It's worth noting, though, that some of last year's job losses were unrelated to COVID-19 and would have happened anyway. Aside from a slight employment bump in 2019, the state had already been losing jobs since late 2015.

The biggest losers by area

Employment dropped 8 percent statewide in 2020,

Job loss or growth by area, 2019 to 2020

Area	Total jobs		Change in jobs	
	2019	2020	Number	Percent
Denali Borough	2,098	987	-1,111	-53.0%
Skagway, Municipality	1,080	563	-517	-47.9%
Haines Borough	1,029	774	-255	-24.8%
Hoonah-Angoon Census Area	839	676	-163	-19.4%
Lake and Peninsula Borough	972	787	-185	-19.0%
Bristol Bay Borough	1,303	1,079	-224	-17.2%
Dillingham Census Area	2,538	2,126	-412	-16.2%
Ketchikan Gateway Borough	7,398	6,284	-1,114	-15.1%
Valdez-Cordova Census Area*	4,977	4,326	-651	-15.0%
North Slope Borough	12,812	10,992	-1,820	-14.2%
Sitka, City and Borough	4,311	3,751	-560	-13.0%
Wrangell, City and Borough	824	725	-99	-12.0%
Juneau, City and Borough	17,957	15,872	-2,085	-11.6%
Anchorage, Municipality	150,066	137,774	-12,292	-8.2%
Alaska	329,092	302,628	-26,464	-8.0%
Kusilvak Census Area	2,151	1,996	-155	-7.2%
Nome Census Area	3,932	3,670	-262	-6.7%
Fairbanks North Star Borough	38,041	35,580	-2,461	-6.5%
Yukon Koyukuk Census Area	2,316	2,167	-149	-6.4%
Kenai Peninsula Borough	20,007	18,772	-1,235	-6.2%
Prince of Wales-Hyder CA	2,300	2,175	-125	-5.4%
Aleutians East Borough	2,437	2,324	-113	-4.6%
Bethel Census Area	7,051	6,773	-278	-3.9%
Petersburg Borough	1,282	1,237	-45	-3.5%
Kodiak Island Borough	5,871	5,668	-203	-3.5%
Matanuska-Susitna Borough	24,835	24,645	-190	-0.8%
Northwest Arctic Borough	2,923	2,912	-11	-0.4%
Aleutians West Census Area	3,422	3,485	+63	1.8%
Southeast Fairbanks CA	2,461	2,515	+54	2.2%
Yakutat, City and Borough	280	298	+18	6.0%

*The Valdez-Cordova Census Area was split into the Chugach and Copper River census areas in 2020, but the data were still combined in 2019.

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

which was the largest yearly job loss in Alaska's history. The biggest losers were the areas that shed more than that, and Southeast was one of just two regions with percent losses in the double digits. Southeast took a one-two punch from the pandemic and a poor fishing season.

Skagway was the region's most extreme example,

having lost nearly half its employment when the 2020 cruise ship season evaporated.

The lack of visitors hit many of Southeast's communities, but losses were muted where the industry plays a smaller local role; Petersburg is an example. Yakutat was a curious exception, as its employment grew slightly in 2020. (See the "winners" section for more.)

The Northern Region's losses ranked second-largest, and most came from a single area in a single category: the North Slope Borough's oil industry. The rest of the region's job losses were modest.

The Interior Region lost more than average because of the Denali Borough. Less than half the borough's jobs materialized in 2020, as it's home to Denali National Park, one of the state's most prominent tourist attractions. Job losses in other parts of the Interior were noteworthy, though; Fairbanks lost nearly 2,500 jobs.

Areas with modest losses

The Anchorage/Matanuska-Susitna Region lost slightly less employment than average proportionally, but Anchorage lost the most employment in the state numerically.

The Mat-Su Borough's minor loss blunted the region's final numbers. Mat-Su is one of the few parts of Alaska that has continued to add population in recent years. Also, nearly a third of Mat-Su residents work outside the borough, so those job losses would have been recorded elsewhere.

The Gulf Coast Region's losses were milder than average despite the significant roles the oil, fishing, and tourism-related industries play in its economy. The Kenai Peninsula's economy is one of the state's most diverse, however. The borough is home to several distinct communities that don't operate in unison, so last year's results were mixed.

Kodiak is a good example. Kodiak's economy is built on the U.S. Coast Guard and fishing, so it lost fewer jobs. Kodiak has the largest resident seafood processing workforce in the state and more

year-round activity than most processing areas, which likely made it less vulnerable to the COVID-related restrictions on importing outside workers.

On the other hand, the Valdez-Cordova area took a major hit. While some losses came from fishing and tourism, the oil industry likely explains Valdez's heavier losses and truncated ferry traffic was probably a drag on Cordova.

Most of the Southwest Region's loss was among fish processors in Bristol Bay. While 2020 was a good fishing year in Bristol Bay, assembling such a large processing workforce for a short season is always a challenge. The pandemic multiplied the difficulties, resulting in a smaller workforce.

A few places added jobs last year

Despite the pandemic, three areas eked out modest job gains in 2020: Southeast Fairbanks, Aleutians West, and Yakutat.

The Southeast Fairbanks Census Area's economy is tied to the Fort Greely Army Garrisons, whose work continued throughout the pandemic.

Aleutians West also recorded slight growth. Like Kodiak, its seafood processing industry operates year-round, so much of its workforce was already in place before the pandemic began. The remote worksites also lent themselves well to isolating.

The Aleutians also had a good fishing year, although fluctuating harvest levels don't necessarily alter job numbers. As mentioned earlier, we can't isolate the pandemic's effects on the fishing industry because its annual employment is so volatile.

Yakutat has the smallest borough-level workforce in the state at about 300 people. Yakutat lost some leisure and hospitality jobs last year, but gains in health care and transportation offset those declines. The reasons Yakutat bucked the trend aren't clear, but even minor changes can produce visible fluctuations in workforce numbers that small.

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