

ALASKA ECONOMIC
TRENDS
JANUARY 2022

2022 JOBS
FORECAST



FROM THE COMMISSIONER

The new year brings many new opportunities for Alaskans

By Dr. Tamika L. Ledbetter, Commissioner

In January, many of us pause to reflect on our successes and challenges and chart a new course for the year ahead. For me, this is an opportunity to take stock and set a plan for accomplishing personal and professional goals.

As we continue to pull out of the pandemic, economic signs look promising in the months to come and for 2022 in general.

For example, in July 2021, Alaska had 35,000 job listings spanning all sectors of the economy, from health care to construction to oil and gas. This was the highest number of recorded openings in recent history. While the number of filled positions still lags 2019, it is promising to see the range of opportunities available to Alaskans who are ready to work.

We are also seeing an exciting surge of entrepreneurial activity. The Division of Business Licensing reports issuing the highest number of new business licenses in more than 10 years: 25,590 between March 2020 and March 2021. This was about 10,000 more than the typical number of licenses issued annually in recent years.

In the first half of 2021, Alaska had 21,630 businesses with employees. According to Business Employment Dynamics, a statistical program, more than 1,500 new establishments opened in the most recent quarter of 2021 — this was way up from a year ago (1,079) and well above any quarter over the last 10 years.

The U.S. Chamber of Commerce's "Six Smart Ways to Grow Your Business During a Pandemic" offer good ideas for maximizing opportunity:



1. Be strategic with your digital marketing efforts.
2. Does the market really need you?
3. Brush up on virtual selling skills.
4. Host events that interest and educate audiences.
5. Let your network know what you are doing.
6. Prioritize authentic, transparent communication with customers and employees.

This advice can be useful in any workplace setting — especially the suggestion on authentic and transparent communication. Authentic communication builds a workplace culture that empowers team members to excel.

As you plan for 2022, focus on ways to grow personally and professionally. This is a time of great opportunity and new employment options for Alaskans in all regions. The Department of Labor and Workforce Development offers a range of programs and services to help you succeed in 2022 and beyond. For more information, please contact your nearest job center. See jobs.alaska.gov to get started, or call (877) 724-2539.

To all Alaskans from southern Southeast to the gates of the Arctic and all points between, I wish you a very happy and prosperous new year!

Contact Dr. Tamika L. Ledbetter, Commissioner, at (907) 465-2700 or commissioner.labor@alaska.gov.



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ON THE COVER:

Walking on the snowy tundra in Utqiagvik. When this photo was taken in 2010, the community was still called Barrow. Photo by Flickr user Stan Wullschlegel

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ALASKA ECONOMIC
TRENDS

2022
JOBS FORECAST

4 Statewide 15 Fairbanks
10 Anchorage 18 Southeast

22 GAUGING
THE ECONOMY

Trends is a nonpartisan, data-driven magazine
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ON THIS SPREAD: The background image for 2022 is a sparkly Alaska shoreline, taken by Flickr user Darren Hsu. License: creativecommons.org/licenses/by-nc-sa/2.0/

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Statewide forecast for 2022

More recovery this year, but big shifts and questions loom

By KARINNE WIEBOLD

Alaska recovered 7,100 jobs in 2021 after losing 27,600 in 2020, with the gains spread across industries as the losses had been the year before. The industries hit hardest initially by the pandemic, such as transportation and the leisure and hospitality sector, recovered the most jobs in 2021 as bars and restaurants reopened and travel picked up.

The pandemic continued in 2021, but vaccines rolled out early in the year and businesses adapted to safety measures. An abbreviated tourist season, higher oil prices, and federal relief money helped Alaska recover a modest number of jobs.

Despite the obstacles and uncertainty in 2022 that could limit growth, we expect the state to recover another 9,800 jobs in 2022. That 3.2 percent increase would leave us less than 11,000 jobs short of 2019's pre-pandemic employment.

Most industries won't fully recover this year, though. Only construction, health care, and federal employment are forecasted to end 2022 at or above their pre-COVID levels.

What helped and hurt in 2021

Some cruise ships, tourists returned

Independent tourism was unexpectedly strong in 2021 as vaccine-emboldened travelers filled any open hotels and spent more than the average cruise ship visitor. Bed taxes and car rental taxes soared, in some cases rivaling pre-pandemic receipts.

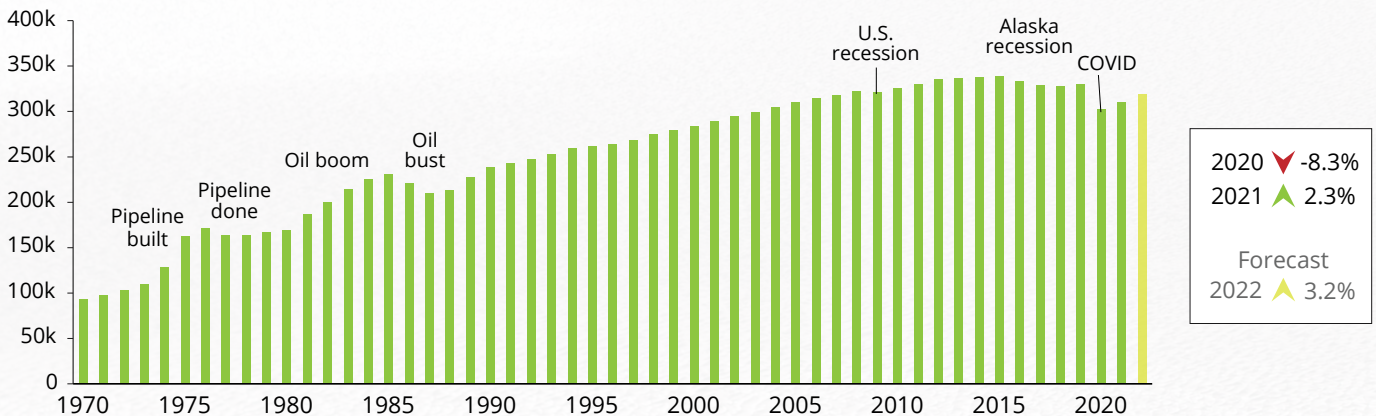
As an additional boon, limited cruises resumed in July after Congress temporarily waived the Passenger Vessel Services Act requirement that foreign-flagged ships stop in Canada before reaching Alaska.

About 116,000 cruise ship visitors passed through in 2021 — less than a tenth of what's typical — with fewer sailings and low occupancy but a season that extended into October.

Students went back to school

School resumed in person in the fall, and vaccine eligibility extended to elementary-age children late in the year. By the end of 2021, half of Alaska youth ages

How historical events have changed Alaska's total job count



Note: 2020 and 2021 are preliminary.

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

The outlook for jobs statewide, by industry

	Monthly avg, 2020 ¹	Monthly avg, 2021 ¹	Change, 2020-21	Percent change	JOBS FORECAST		
					Monthly avg, 2022	Change, 2021-22	Percent change
Total Nonfarm Employment²	302,600	309,700	7,100	2.3%	319,500	9,800	3.2%
Total Private	225,800	232,600	6,800	3.0%	241,700	9,100	3.9%
Mining and Logging	11,300	10,400	-900	-8.0%	11,000	600	5.8%
Oil and Gas	7,800	6,700	-1,100	-14.1%	7,100	400	6.0%
Construction	15,800	16,000	200	1.3%	16,400	400	2.5%
Manufacturing	11,900	12,200	300	2.5%	12,800	600	4.9%
Transportation, Trade, and Utilities	58,900	61,000	2,100	3.6%	63,200	2,200	3.6%
Wholesale Trade	6,200	6,100	-100	-1.6%	6,300	200	3.3%
Retail Trade	33,400	34,400	1,000	3.0%	34,900	500	1.5%
Transportation, Warehousing, and Utilities	19,300	20,500	1,200	6.2%	22,000	1,500	7.3%
Information	4,900	4,800	-100	-2.0%	4,800	0	0%
Financial Activities	10,800	10,800	0	0%	10,900	100	0.9%
Professional and Business Services	26,100	26,300	200	0.8%	26,600	300	1.1%
Educational (private) and Health Services	49,400	50,900	1,500	3.0%	51,500	600	1.2%
Health Care	38,200	39,100	900	2.4%	39,600	500	1.3%
Leisure and Hospitality	26,600	29,700	3,100	11.7%	33,700	4,000	13.5%
Other Services	10,100	10,500	400	4.0%	10,800	300	2.9%
Total Government	76,800	77,100	300	0.4%	77,800	700	0.9%
Federal, except military	15,400	15,100	-300	-1.9%	15,100	0	0%
State, incl. University of Alaska	22,400	22,600	200	0.9%	22,200	-400	-1.8%
Local and tribal, incl. public schools	39,000	39,400	400	1.0%	40,500	1,100	2.8%

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

Note: May not sum because of rounding

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

12 to 18 and 14 percent of kids between 5 and 11 were fully vaccinated.

Schools continued to deal with outbreaks, and a shortage of bus drivers meant regular service wasn't guaranteed, requiring some parents to find transportation or continue homeschooling.

Permanent Fund grew, and oil prices went back up

The Alaska Permanent Fund grew significantly in 2021 with the rising stock market, from \$65.3 billion to \$81.9 billion. Strong fund performance temporarily relieves state budget pressure, because a significant portion of the state's revenue now comes from the Permanent Fund.

Rising oil prices also alleviate some of Alaska's immediate budget problems. Prices rebounded more than expected. After averaging just \$42 a barrel in 2020, oil prices increased to \$71 in 2021. However, the industry has only

Alaska's forecasted recovery to pre-pandemic levels, by industry

	2019 jobs	2022 forecasted	Forecasted recovery
Total Nonfarm Employment	330,000	319,500	97%
Total Private	250,300	241,700	97%
Mining and Logging	13,400	11,000	82%
Oil and Gas	9,900	7,100	72%
Construction	16,400	16,400	100%
Manufacturing	13,100	12,800	98%
Transportation, Trade, and Utilities	64,700	63,200	98%
Wholesale Trade	6,600	6,300	95%
Retail Trade	35,600	34,900	98%
Transp, Warehousing, Utilities	22,500	22,000	98%
Information	5,400	4,800	89%
Financial Activities	11,600	10,900	94%
Professional and Business Services	27,700	26,600	96%
Educational (private) and Health Svcs	50,800	51,500	101%
Health Care	38,700	39,600	102%
Leisure and Hospitality	36,200	33,700	93%
Other Services	11,000	10,800	98%
Total Government	79,900	77,800	97%
Federal, except military	14,900	15,100	101%
State, incl. University of Alaska	23,200	22,200	96%
Local and tribal, incl. public schools	41,800	40,500	97%

Note: May not sum because of rounding. 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

Statewide Forecast

recovered a small fraction of its COVID-related job losses so far, raising new questions about the industry's future.

Federal funds flowed in

Federal money eased the strain on households and businesses. Over the last two years, federal assistance flowed into the state in the form of relief payments to nearly all Alaskans, supplemental and extended unemployment benefits, rental assistance, suspension of student loan payments, child tax credits, and relief money for businesses and governments.

In 2020 and early 2021, most adults received three rounds of federal stimulus payments, which for many totaled \$3,200, with an additional \$2,500 per child. The U.S. also increased the child tax credit and began sending monthly payments of up to \$300 per child in the summer.

While these federal transfer payments were a godsend for some, they were a windfall for others. Alaska's total personal income increased, and many people temporarily had more disposable income than they'd had before the pandemic.

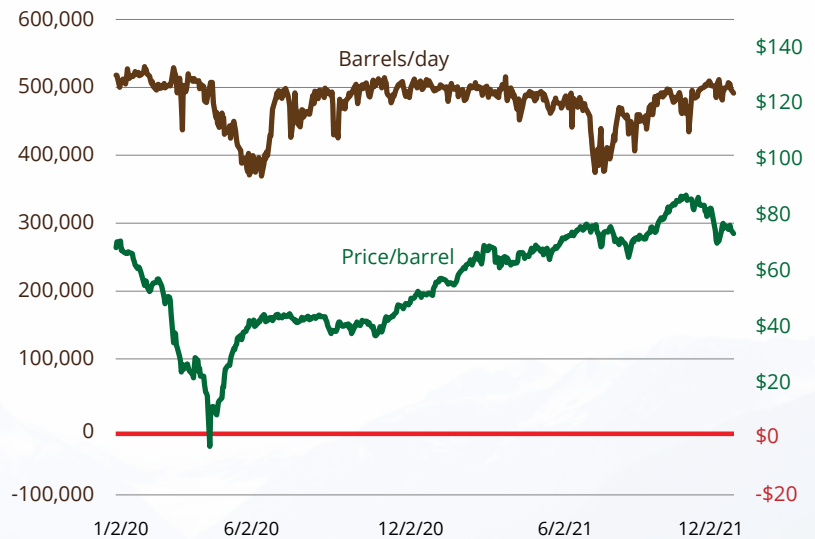
Federal money in the form of paycheck protection and other CARES Act programs buffered some pandemic job loss as well. Even when Alaska shed almost 48,000 jobs the first pandemic summer, 86 percent of jobs remained.

The widespread extra income spurred buying that stimulated the economy; on the other hand, it worsened supply chain issues and spurred inflation. Inflation rose rapidly in 2021, which squeezed consumers and slowed economic growth.

The worker shortage intensified

Alaska's unemployment rate fell considerably last year, from 6.7 percent to 6.0 percent, which isn't high by historical standards. However, that low rate wasn't as positive as it looked, because it was partly due to large numbers of people leaving the labor force. The strong stock market and booming housing market allowed more workers to retire or opt out of the workforce during the pandemic, exacerbating the

The pandemic sent oil prices for a wild ride



Note: Price per barrel for Alaska North Slope West Coast oil
Source: Alaska Department of Revenue, Tax Division

shortage of willing workers.

National data late in the year showed record numbers of quits and job openings as hiring increased and more workers felt optimistic enough to quit their jobs or leave the labor force altogether, and those patterns held in Alaska.

With available workers becoming harder to find, those looking for work had more options and wages started to rise, especially in traditionally low-wage jobs.

Long-term dampers on growth

We've lost population for several years

Alaska's population has declined for four straight years, mostly because fewer people moved in to replace those who left. As the graphs on the next page show, more people have moved out than in for eight years. Natural increase — births minus deaths — offset the migration losses until 2017.

A few areas bucked the trend. The Fairbanks North Star Borough grew with a recent military buildup, and the Matanuska-Susitna Borough continued to draw movers as it has for years, especially from within the state. But Alaska as a whole is still losing population, which will continue to restrain our economic growth. A smaller population means less need for stores, schools, housing, and recreation.

Statewide Forecast

The state hasn't fixed long-term budget problem

Our unresolved long-term state government revenue problem is another drag on the economy as we enter 2022. The State of Alaska still faces tough decisions about revenue, spending, and the Permanent Fund Dividend.

We've postponed some of those decisions by drawing from savings and using federal stimulus money meant to blunt COVID's blow. While that strategy will work in the short term, the state's long-term economic health depends on more budget certainty and stability.

Pandemic came on the heels of a statewide recession

Alaska's full recovery will take longer than some states, partly because we entered the pandemic in a weaker position. Alaska underperformed the nation for job growth every year over the last decade and entered a three-year recession in 2015. When COVID-19 hit, we'd had just one year of slight job growth.

What's new or uncertain for 2022

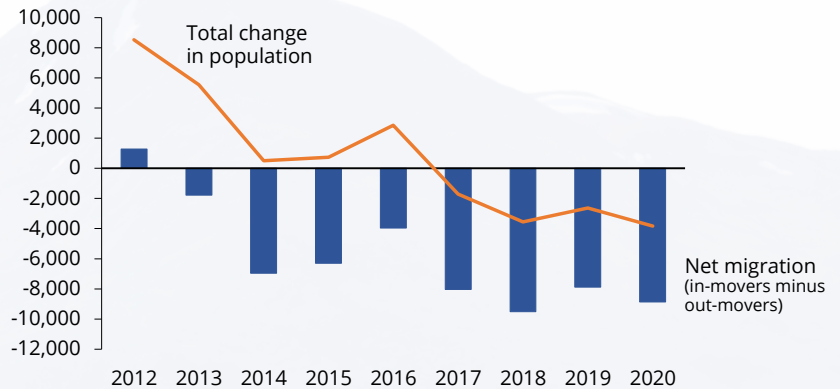
Pandemic ongoing; new variant emerges

Alaska entered 2022 amid rapidly changing conditions. The world is still battling COVID-19, and while all U.S. adults became eligible for a booster in the fall and a vaccine was approved for children 5-12, Alaska's vaccination rate remains below the nation and most states. At the end of 2021, 68 percent of eligible Alaskans had received at least one shot. Nationally, it was 78 percent.

Alaska's highest numbers of cases, hospitalizations, and deaths from the pandemic so far came in September and October of 2021, pushing some hospitals to enact crisis care standards when they couldn't meet the demand.

Still-strained providers face a new concern. Near the end of 2021, Alaska's cases began to decline again but

Long streak of total population and migration loss



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

another highly contagious variant emerged.

When this article was published, omicron had only recently been identified in Alaska. While health officials warned of an impending surge, omicron's path and severity remained a question mark at press time.

Job market undergoing big changes

The job market is in the midst of a substantial shift. Extended unemployment insurance benefits are a thing of the past, and many of the long-term unemployed have exhausted their benefits.

Alaska's labor force is the smallest it's been in decades. Just 64 percent of the working-age population is employed or looking for work. The high numbers of national job openings and quits could further shrink the worker pool by limiting out-of-state workers for Alaska's seasonal industries this year.

Tourism could exceed a typical year's levels

One of the biggest changes on the horizon is the return of large cruise ships. When the first boats arrive in April or May, it will be the first time in 30 months that some communities have seen a large ship. Cruise ship passengers are vital to multiple towns, especially in Southeast, and are the lifeblood of places like Skagway and Denali that boom in the summer and hibernate in the winter. The cruise industry expects to carry 1.5 million passengers to Alaska this year, which would be an all-time high if ships reach capacity.

On a related note, Canada opened its borders to vaccinated Americans on Aug. 9 after a 16-month closure, so 2022 will mark the first summer since 2019 that visitors can arrive by land.

Statewide Forecast

Infrastructure bill will be big for Alaska

Federal funding is coming from the \$1.2 trillion infrastructure bill, but we don't know when that money will start flowing in or how much Alaska will receive. Most analyses show Alaska getting more money per capita than any other state, based on the details available in the bill and excluding money that states must apply for directly.

Alaska-specific funding in the bill, mostly for distribution over five years, includes \$3.5 billion for highways, \$1 billion for the ferry system plus another \$73 million for new ferries, \$225 million for bridges, and \$180 million for water and wastewater projects.

COVID-caused business snags persist

Finally, we're entering 2022 with ongoing supply chain problems created by interruptions to global production, manufacturing, and shipping as well as domestic trouble with clogged ports and trucker shortages. These delays and cost increases will likely dampen economic growth and pull business capital away from hiring more workers.

How these factors will affect jobs

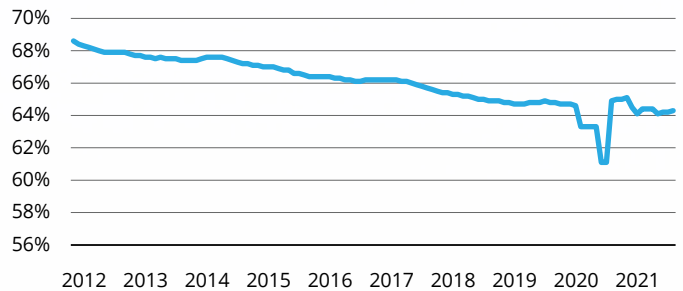
Despite the obstacles, this year's forecasted job growth is an improvement from 2021. The anticipated return of cruise ships will spur recovery for leisure and hospitality and smaller industries like scenic and sightseeing transportation. If independent travelers return en masse this year, that will also benefit airlines, hotels, bars, and restaurants.

Employers might not be able to fill all of their positions, though, and the worker shortage will inhibit growth. Manufacturing, construction, retail, transportation, leisure and hospitality, and health care are all vulnerable to worker shortages in different ways.

Seafood processing, which makes up most manufacturing in Alaska, and the leisure and hospitality sector are seasonal and rely on out-of-state workers, who could be in shorter supply. Construction and retail tend to have high turnover, which means frequent recruitment.

Health care providers and bars and restaurants withstood the worst of the pandemic in different and unusual ways, and they're grappling with worker burnout and uncertainty, which can result in more

Percent in labor force on long decline



Note: The labor force participation rate is the share of the working-age population who are either working or looking for work.

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

quits or a slower rate of return.

Health care workers have worked under pressure for nearly two years, with the fall of 2021 bringing Alaska's largest hospitalization surge to date. Hospitals in some communities had to ration care, and strapped hospitals in other states refused to take Alaska patient transfers as they grappled with their own shortage of health care workers and a wave of COVID patients.

Bar and restaurant workers have faced ever-changing work conditions, limitations, and consumer behavior. Also at risk for burnout are teachers, who have faced demanding and constantly changing work conditions during the pandemic.

Overview of forecasts by industry

Oil and gas recovery remains slow

Higher prices and renewed activity on the North Slope will drive the return of 400 forecasted jobs, a welcome change after the industry lost 2,100 jobs in 2020 and 1,100 more in 2021.

Even with 6 percent growth, the industry would end up 2,800 jobs below its pre-pandemic level, making its recovery the weakest among Alaska industries. Oil and gas lost jobs further into 2020 than most industries that took a deep and fast cut, and recovery was limited. Oil prices plunged, and the industry continued burning off jobs for months after other industries found their floor.

Some recovery for seafood processing

We forecast 600 additional jobs for manufacturing

Statewide Forecast

this year, bringing the industry just 300 jobs below its pre-pandemic level, although yearly employment tends to be volatile. Most manufacturing jobs are in seafood processing, and the remainder is in businesses such as breweries, bakeries, coffee roasters, and concrete manufacturers.

National and international worker shortages could mute recovery, though, as about three-quarters of seafood processing workers come from outside of Alaska.

Air to lift transportation employment

Transportation, combined with the much smaller warehousing and utility sectors, will add a forecasted 1,500 jobs in 2022, bringing it just 500 jobs below 2019. Air cargo and couriers did well throughout the pandemic. That growth, plus growing local and visitor demand for air travel, will drive the recovery.

Construction and linked services to grow

Construction fared relatively well through the pandemic, losing just 600 jobs total. We forecast a full recovery in 2022. Home projects became common as people stayed home and households received extra stimulus income, although high lumber prices and supply chain problems limited some projects.

The \$1.2 trillion federal infrastructure bill will provide Alaska with billions over the next five years, but details are still scarce.

We don't expect the bill to boost construction jobs immediately, as it will take a while for the money to reach the state, let alone the street. However, the consulting firms in professional and business services could see some of that money in 2022 if officials and agencies move quickly to firm up or update plans and studies.

We forecast an additional 300 jobs for professional and business services this year. That growth plus the 200 the sector added back in 2021 would leave it 1,100 jobs below its pre-pandemic total.

Professional and business services firms often provide services that only the largest firms can afford to have in-house, such as engineering, accounting, and security. These firms will benefit from the

growth in construction, transportation, and oil and mining exploration and development.

Health care set to fully recover this year

Health care recovered 900 jobs in 2021 as outpatient services resumed, pushing employment over 2019 levels. Hospital employment fell during 2020 and recovered some of those losses in 2021, but it remains lower. Nursing home employment held steady last year.

We forecast 500 new health care jobs this year through a combination of hospital job recovery and renewed growth in ambulatory health care, which is mostly practitioners' offices.

Loss for state government, growth for local

Government will be a mixed bag in 2022, with state employment falling, local government employment recovering somewhat, and federal employment holding steady.

State government is forecasted to lose 400 jobs, mostly because COVID-specific positions will end. While COVID prompted temporary job growth in contact tracing and unemployment claim processing, declining revenues and political pressure for smaller government have reduced jobs since 2015.

Local government losses were all from public education as schools closed and students attended remotely during parts of the last two school years. By last fall, most classes were in person.

Except for the first few pandemic months, general local government has been remarkably steady. While the lack of tourism and reduced sales tax revenue early in the pandemic were expected to pinch local government budgets, federal assistance offset the losses and revenues bounced back quickly.

Local government will recover a forecasted 1,100 jobs this year, all in public schools, as continuing in-person instruction will bring back more staff.

We forecast a steady 15,100 jobs in federal government, where it settled last year after a loss of 300. Employment had grown temporarily the year before to conduct the 2020 Census.

Karinne Wiebold is an economist in Juneau. Reach her at (907) 465-6039 or karinne.wiebold@alaska.gov.

The federal infrastructure bill will provide Alaska with billions of dollars over the next five years.

Anchorage forecast for 2022

By NEAL FRIED

The COVID-driven downturn and recovery have headlined the economic story in Anchorage for the past two years, as they have almost everywhere. Even though 2020's "recession" was the nation's shortest historically, it was disproportionately disruptive and undoubtedly strange. Its still-uncertain aftereffects will be with us for years to come.

Anchorage moved into recovery mode in 2021, and most industries clawed back some of their pandemic job losses. A few moved close to or above pre-COVID levels, but most industries still have a ways to go.

Anchorage also has an extra obstacle to overcome. The statewide economy grew for a single year in 2019, but the city hadn't begun to recover from the preceding three-year statewide recession when the pandemic hit. That means Anchorage had been losing jobs for five years in a row before 2021, so full employment recovery will take even longer.

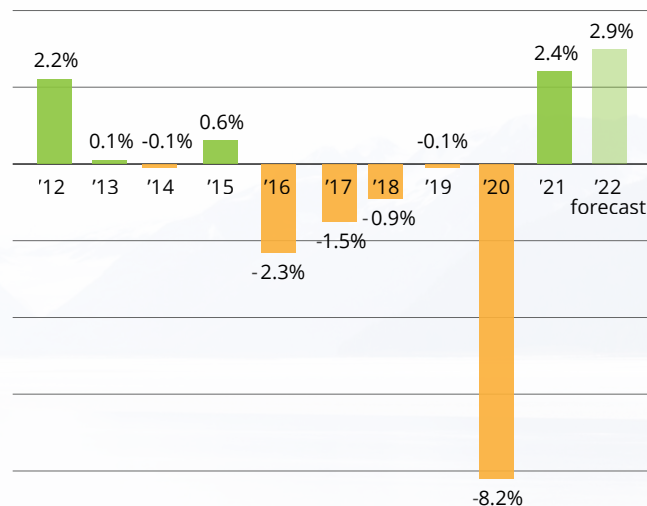
Most of 2022's gains will be a recovery of 2020's pandemic-related losses, but a few prospects for additional growth are on the horizon. Parts of the new massive federal infrastructure bill could kick in this year, expectations for a strong tourism rebound are high, and rising oil prices are brightening the fiscal picture.

The labor shortage will continue to hamper job growth, however, and new COVID-19 variants remain a concern. The decline in federal pandemic relief payments to people and businesses will also act as a drag on the economy.

Infrastructure bill will boost construction, related services

The \$1.2 trillion federal infrastructure bill is all the construction industry can talk about, and with good reason — it will double Alaska's public airport construction funding and boost highway construction funding by 40 percent for the next four to five years.

Anchorage continues slow job recovery



Note: 2020 and 2021 are preliminary.

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

As the construction industry's Alaska headquarters, Anchorage will disproportionately benefit from infrastructure spending around the state.

While most of the stimulus will come after 2022, the bill will be a plus this year after seven years of small state capital budgets and slow private construction. To clear its calendar for infrastructure projects, the Department of Transportation and Public Facilities may fast-track some projects it had on the books for future years. That could push Anchorage construction employment above its pre-COVID levels.

Privately funded construction faces a less-favorable environment. Teleworking and the surge of e-commerce put the need for future commercial and retail space into question, and the disruption of tourism clouded new hotel investments. One hotel under construction in Anchorage will open for the 2022 visitor season, however, and another hotel might break ground this year.

Anchorage home sales are the strongest they've been since 2005, and interest rates remain near record lows, but these haven't stimulated new home construction. Anchorage permitted just 298 new housing units through November of last year; for that

The outlook for jobs in Anchorage, by industry

	Monthly avg, 2020 ¹	Monthly avg, 2021 ¹	Change, 2020-21	Percent change	JOBS FORECAST		
					Monthly avg, 2022	Change, 2021-22	Percent change
Total Nonfarm Employment²	138,900	142,300	3,400	2.4%	146,400	4,100	2.9%
Total Private	111,700	115,100	3,400	3.0%	119,000	3,900	3.4%
Mining and Logging	2,400	2,000	-400	-16.7%	2,100	100	5.0%
Oil and Gas	2,200	1,600	-600	-27.3%	1,800	200	12.5%
Construction	7,000	7,300	300	4.3%	7,800	500	6.8%
Manufacturing	1,900	1,900	0	0%	2,000	100	5.3%
Transportation, Trade, and Utilities	30,000	31,000	1,000	3.3%	31,800	800	2.6%
Wholesale Trade	4,700	4,500	-200	-4.3%	4,600	100	2.2%
Retail Trade	15,100	15,300	200	1.3%	15,700	400	2.6%
Transportation, Warehousing, and Utilities	10,300	11,200	900	8.7%	11,500	300	2.7%
Information	3,000	2,900	-100	-3.3%	2,900	0	0%
Financial Activities	6,900	7,200	300	4.3%	7,200	0	0%
Professional and Business Services	16,600	16,800	200	1.2%	17,100	300	1.8%
Educational (private) and Health Services	25,700	26,400	700	2.7%	26,800	400	1.5%
Health Care	20,400	20,900	500	2.5%	21,200	300	1.4%
Leisure and Hospitality	13,300	14,300	1,000	7.5%	16,000	1,700	11.9%
Other Services	4,900	5,300	400	8.2%	5,300	0	0.0%
Total Government	27,300	27,200	-100	-0.4%	27,400	200	0.7%
Federal, except military	8,600	8,400	-200	-2.3%	8,300	-100	-1.2%
State, incl. University of Alaska	9,500	9,800	300	3.2%	9,600	-200	-2.0%
Local and tribal, incl. public schools	9,200	9,000	-200	-2.2%	9,500	500	5.6%

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

Note: May not sum because of rounding

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

period in 2020, it was 415. New housing construction has been modest for five years, and 2022 will probably be the sixth.

Other construction prospects for 2022 include air cargo projects scheduled at the airport.

The infrastructure bill is as big of a gift for professional and business services as it is for the construction industry. An uptick in the construction and oil industries signals more activity for architectural, engineering, environmental, and other consulting services as well. These services are involved in the construction planning phases, so they will benefit early from the new funding.

Oil industry won't play a big recovery role

In early 2020, statewide oil industry employment fell from around 10,000 to a low of 6,100 in late 2020. Prudhoe

Anchorage's forecasted recovery to pre-pandemic levels, by industry

	2019 jobs	2022 forecasted	Forecasted recovery
Total Nonfarm Employment	151,300	146,400	97%
Total Private	123,300	119,000	97%
Mining and Logging	2,700	2,100	78%
Oil and Gas	2,500	1,800	72%
Construction	7,700	7,800	101%
Manufacturing	2,100	2,000	95%
Transportation, Trade, and Utilities	32,600	31,800	98%
Wholesale Trade	4,900	4,600	94%
Retail Trade	16,500	15,700	95%
Transp, Warehousing, Utilities	11,200	11,500	103%
Information	3,300	2,900	88%
Financial Activities	7,300	7,200	99%
Professional and Business Services	17,800	17,100	96%
Educational (private) and Health Svcs	26,800	26,800	100%
Health Care	21,000	21,200	101%
Leisure and Hospitality	17,700	16,000	90%
Other Services	5,400	5,300	98%
Total Government	28,000	27,400	98%
Federal, except military	8,400	8,300	99%
State, incl. University of Alaska	9,700	9,600	99%
Local and tribal, incl. public schools	10,000	9,500	95%

Note: May not sum because of rounding. 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

Anchorage Forecast

Bay employment plunged to 2005 levels and hasn't improved much since.

But higher oil prices will breathe new life into the industry in 2022. The average current price is in the \$70-\$80 per barrel range, and the outlook for worldwide petroleum demand is strong.

This suggests modest employment gains for Anchorage's oil industry in 2022, and those direct job numbers reflect only a small part of this industry's impact on the city's economy. Many Anchorage residents work in the oil fields, and local businesses cater to this activity. Still, the oil industry won't play a major role in the city's job recovery this year.

Retail unlikely to fully recover, but it will add jobs this year

Retail struggled long before the pandemic as e-commerce grew, and the 2015-2018 state recession didn't help. A long list of large and small Anchorage retailers closed their doors before 2020.

Surprisingly, the past two years haven't brought additional big closures, although retail employment fell nearly 8.5 percent in 2020, making it the second-largest job-loser at 1,400. By the second quarter of 2021, retail had recovered some of those losses but remained about 1,200 jobs below 2019.

We forecast additional gains for 2022, but not enough to reach pre-COVID levels. E-commerce and the tight labor market will continue to restrict industry growth.

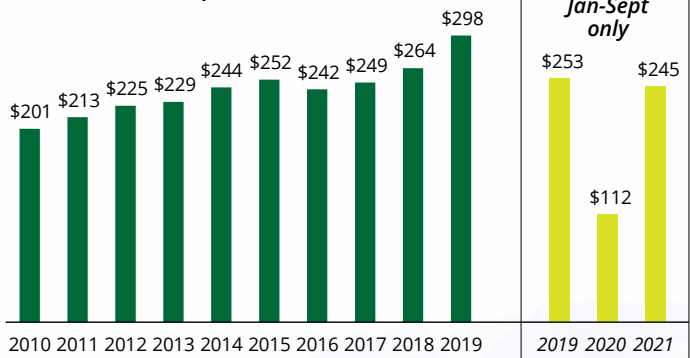
Expectations are high for a record visitor season

The "visitor rapture of 2020" didn't repeat in 2021. While Anchorage didn't get any cruise ships or major conventions, last year was the year of the independent visitor. Vaccines and pent-up demand brought many travelers to the Anchorage area, and some visitor-related businesses posted record or near-record sales.

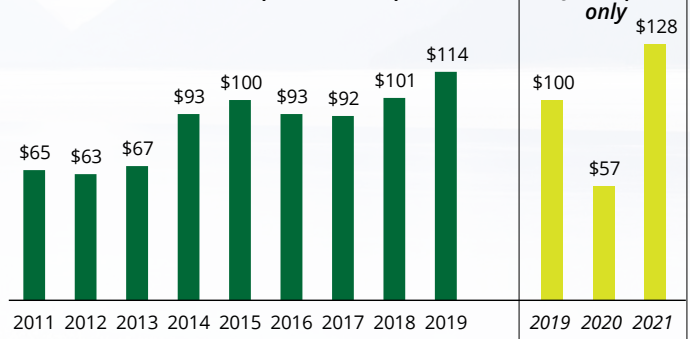
Hotel receipts more than doubled during the first three quarters of 2021 from that period in 2020,

Anchorage hotels, car rentals rebound

Hotel receipts (in millions)



Car rental sales (in millions)



Source: Municipality of Anchorage

falling just 3 percent shy of 2019's sales. Hotel occupancy between May and October was just 1 to 5 percent below 2019. Average daily room rates rose in nearly all months last year.

Car rental sales more than doubled from 2020, topping 2019's sales by 28 percent.

By July, air passenger traffic was just 13 percent below July 2019 levels. For comparison, some months in 2020 were over 80 percent lower. More air travel was good news for many Anchorage industries, including leisure and hospitality.

Visitor industry optimists predict a record year, assuming most cruise traffic resumes and another strong contingent of independent travelers materializes. Calculations for 2022 also assume pent-up demand to travel is still a factor.

Convention traffic won't reach 2019 levels, but it will improve with more in-state activity. Recovery for the national slice of convention business will take longer. The industry's biggest worry this year is recruiting an ample workforce to meet the demand.

Anchorage Forecast

Strong growth for bars and restaurants after pandemic lows

Bars and restaurants everywhere were the most visible casualties of the pandemic, and in 2020, 21 percent of their employment in Anchorage evaporated (about 2,400 jobs).

Year-over-year losses continued into March 2021, but with spring came the easing of restrictions and higher vaccination rates. Locals returned to their favorite eateries and watering holes alongside the independent tourists who returned last year, and the numbers improved considerably. By June, employment was up 1,600 from the same month in 2020.

We forecast double-digit growth for Anchorage's leisure and hospitality industry this year, of which about two-thirds of jobs are in eating and drinking.

Transportation industry set to break records in 2022

Transportation is one of the few Anchorage industries that will likely break records this year, especially given the positive predictions for the visitor season. The industry took a big hit in 2020, but 2021 restored its loft. As mentioned earlier, passenger traffic through Anchorage's international airport bounced most of the way back in 2021.

Air cargo, another category that's critical in Anchorage, has also thrived with more e-commerce, pushing air transportation and courier job numbers even past 2019 levels.

Trucking has also exceeded its pre-COVID job numbers, for similar reasons.

Finance sector remains solid with a healthy housing market

Finance includes real estate and its connected businesses, such as mortgage brokers, title

companies, banking and credit unions, insurers, property managers, and brokerage houses.

The balance sheets for most Anchorage financial institutions remain solid. The stock market is strong, and real estate is one of the few industries that barely wavered with the pandemic, instead flourishing over the last two years.

Home sales were strong in 2020 and even stronger in 2021. Through September, 3,716 Anchorage homes sold, up from 3,055 in 2020. Dollar volume rose from \$1.1 billion in 2020 to \$1.4 billion in 2021, and average prices also increased.

Home sales were strong in 2020 and even bigger in 2021. Dollar volume rose from \$1.1 billion to \$1.4 billion, and average prices increased.

The federal government distributed \$121 million to 14,386 applicants (representing 37,613 Anchorage residents) through its pandemic rental assistance program between March, when the program began, and December.

We forecast steady employment for the financial sector as these trends carry into 2022.

Health care to resume growth after pandemic broke its streak

Health care is the city's largest private-sector employer, and half of Alaska's health care jobs are in Anchorage.

Anchorage depended on health care for a disproportionate amount of its job growth for years, a trend that broke in 2020 with a modest loss of around 600 jobs, especially in ambulatory care such as practitioners' offices and outpatient surgery.

But with vaccines, better testing, and easing contact concern, job numbers began to improve in late 2020 and approached full recovery by the end of 2021.

We forecast growth in 2022 as pent-up demand and the continued aging of Anchorage's population lead more residents to seek these services.

Lower school enrollment, more state government loss this year

Most local government fluctuation over the last two

Anchorage Forecast

years was in the Anchorage School District, which has three-quarters of all local government jobs.

Schools used online learning or a hybrid during parts of 2020 and 2021, so school employment shrank. The district hired far fewer substitute teachers and a portion of the nonteaching staff didn't return to work.

Schools reopened in August 2021 and employment began to return, but falling enrollment complicated that picture, as fewer students typically mean less funding for the subsequent school year. Although the number of students attending this fall was up from the year before, when it had dropped by nearly 9 percent from the first pandemic year, the total number of students in the school district decreased over two years from 46,192 to 43,086.

The rest of local government jobs are in the Municipality of Anchorage, which lost some jobs in 2021 because the city sold Municipal Light and Power to Chugach Electric in October 2020. The sale didn't cause any net job loss, but it transferred 200 city employees to the private sector.

Local government probably won't recover its pre-pandemic job levels this year because municipal employment is unlikely to change much and the Anchorage School District won't regain its 2019 employment levels.

Total state government employment crept up in 2021. Although the University of Alaska Anchorage lost jobs again in 2021, declines were less severe than the previous two years and general government grew enough to offset the drop. Some of the new jobs were COVID-related and will probably go away in 2022.

State of Alaska finances are in better shape for 2022 because of higher oil prices and healthy Alaska Permanent Fund earnings, leading to a relatively stable employment forecast.

Federal government employment fell modestly in 2021 because temporary 2020 Census-related jobs ended. We forecast little change in federal job levels this year.

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Fairbanks forecast for 2022

By SARA TEEL

In 2021, Fairbanks recovered about 500 of the 2,500 jobs it had lost the year before. With recent population growth and tourism on the rebound, we forecast the Fairbanks North Star Borough will add 1,000 jobs this year, for 2.8 percent growth.

The borough lost 6.6 percent of its employment when COVID-19 hit in 2020, and while that drop was steep, it was modest in light of Anchorage's 8.2 percent loss and the -14.3 percent for Southeast.

Fairbanks' recent population growth likely buffered its losses somewhat while most areas continued to shrink. The borough grew in 2020 for the first time in eight years, adding more than a thousand residents as the ongoing installation of two new F-35A fighter jet squadrons at Eielson Air Force Base brought a wave of personnel, contractors, and their families.

The borough's rental vacancy rate dropped from 19 percent in early 2020 to 9.5 percent in 2021, and the additional residents increased demand for goods and services as well as housing, which boosted employment and tax revenues.

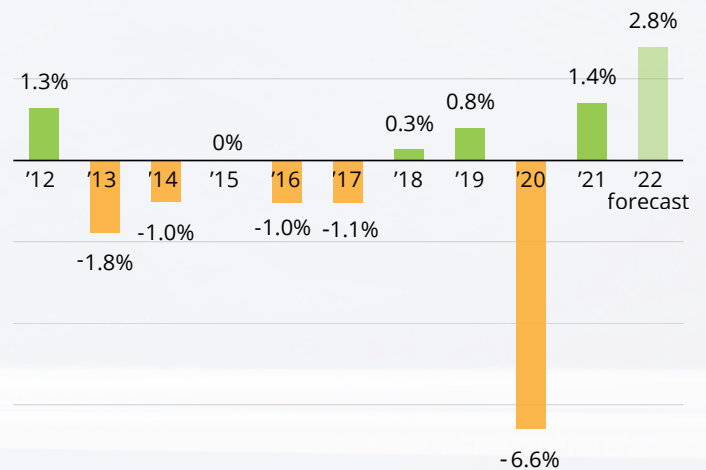
Construction to rebound with scheduled projects, lower costs

Demand for new housing during the pandemic helped stabilize Fairbanks' construction industry amid COVID-caused worker shortages, supply chain disruptions, and high lumber prices.

As people stayed home nationwide and worked on projects, demand for building supplies pushed national lumber costs 248 percent higher between April 2020 and May 2021. Prices have dropped, though, and are likely to normalize in 2022.

Some construction projects were postponed over the past few years because of the costs and uncertainty, and the industry lost 100 jobs in 2020 and another 100 in 2021.

Fairbanks has a smaller job loss to recover



Note: 2020 and 2021 are preliminary.

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

The borough population grew 1.1% in 2020, likely easing its job losses.

With lower costs, continued recovery, and anticipation of the massive federal infrastructure bill, we forecast Fairbanks will add 1,000 construction jobs this year and reach 97 percent of its pre-COVID job count.

Multiple projects are lined up for 2022, including \$15 million in road construction near downtown Fairbanks and a \$148 million U.S. Army Corps of Engineers dam project at Chena River Lakes. New business construction will include several restaurants and a gas station.

While the new federal infrastructure money probably won't be distributed widely in 2022, some of the consulting companies involved in the planning stages for construction and other projects could see some funding this year. These services also tend to pick up as the economy picks up. We forecast 3.8 percent growth for professional and business services.

The outlook for jobs in the Fairbanks area, by industry

	Monthly avg, 2020 ¹	Monthly avg, 2021 ¹	Change, 2020-21	Percent change	JOBS FORECAST		
					Monthly avg, 2022	Change, 2021-22	Percent change
Total Nonfarm Employment²	35,400	35,900	500	1.4%	36,900	1,000	2.8%
Total Private	25,100	25,700	600	2.4%	26,700	1,000	3.9%
Mining and Logging	800	900	100	12.5%	900	0	0%
Construction	2,600	2,500	-100	-3.8%	2,600	100	4.0%
Manufacturing	500	500	0	0%	500	0	0%
Transportation, Trade, and Utilities	7,100	7,200	100	1.4%	7,500	300	4.2%
Wholesale Trade	600	600	0	0%	600	0	0%
Retail Trade	4,500	4,600	100	2.2%	4,700	100	2.2%
Transportation, Warehousing, and Utilities	2,000	2,000	0	0%	2,200	200	10.0%
Information	300	300	0	0%	300	0	0%
Financial Activities	1,100	1,200	100	9.1%	1,200	0	0%
Professional and Business Services	2,600	2,600	0	0%	2,700	100	3.8%
Educational (private) and Health Services	5,400	5,400	0	0%	5,500	100	1.9%
Health Care	4,100	4,200	100	2.4%	4,300	100	2.4%
Leisure and Hospitality	3,700	4,000	300	8.1%	4,400	400	10.0%
Other Services	1,000	1,100	100	10.0%	1,100	0	0%
Total Government	10,300	10,200	-100	-1.0%	10,200	0	0%
Federal, except military	3,300	3,200	-100	-3.0%	3,200	0	0%
State, incl. University of Alaska	4,300	4,400	100	2.3%	4,300	-100	-2.3%
Local and tribal, incl. public schools	2,700	2,600	-100	-3.7%	2,700	100	3.8%

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

Note: May not sum because of rounding

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

Fairbanks' forecasted recovery to pre-pandemic levels, by industry

	2019 jobs	2022 forecasted	Forecasted recovery
Total Nonfarm Employment	37,900	36,900	97%
Total Private	27,500	26,700	97%
Mining and Logging	800	900	113%
Construction	2,700	2,600	96%
Manufacturing	600	500	83%
Transportation, Trade, and Utilities	7,800	7,500	96%
Wholesale Trade	600	600	100%
Retail Trade	4,800	4,700	98%
Transp, Warehousing, Utilities	2,400	2,200	92%
Information	400	300	75%
Financial Activities	1,200	1,200	100%
Professional and Business Services	2,800	2,700	96%
Educational (private) and Health Svcs	5,600	5,500	98%
Health Care	4,200	4,300	102%
Leisure and Hospitality	4,600	4,400	96%
Other Services	1,000	1,100	110%
Total Government	10,500	10,200	97%
Federal, except military	3,100	3,200	103%
State, incl. University of Alaska	4,500	4,300	96%
Local and tribal, incl. public schools	2,900	2,700	93%

Note: May not sum because of rounding. 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

Air cargo jumped in 2021 and 2022 is promising

Fairbanks is a regional hub in a state that relies on air transit, but it's also on the road system, so recent years' transportation job losses (about 400) were mostly in air transportation and trucking.

The industry didn't regain any ground in 2021 as supply chain bottlenecks, freight logistics, and staffing shortages continued. Air cargo picked up last year, however. Freight entering Fairbanks International Airport jumped 137 percent in the second quarter of 2021 compared to the same quarter in 2020, and Amazon opened its northernmost facility in Fairbanks early in the year.

Rising demand and more businesses reopening look positive for transportation in 2022. We forecast the industry will add 200 jobs.

Demand from more residents, tourists

Fairbanks' leisure and hospitality sector lost the most jobs in 2020, initially from shutdowns and mandates and then through the loss of the summer visitor season. Although Fairbanks doesn't depend on visitors as much as Southeast, the borough did lose 900 leisure and hospitality jobs in 2020 and recovered about a third of them last year.

Fairbanks' bed tax revenue dropped 54.6 percent in 2020. By the second quarter of 2021, though, that revenue had already climbed back to 92 percent of its 2019 level. As we enter 2022, rising bed tax revenue suggests the industry will approach its pre-COVID employment level.

Similarly, restaurants and bars lost 11 percent of their jobs in 2020 and nearly regained pre-pandemic levels by 2021.

Fairbanks will see more tourists when cruise ships return this year, as 41 percent of Fairbanks' summer visitors are cruise passengers. Passengers take the Alaska Railroad from Anchorage to Fairbanks, and cruise lines own many of those railcars.

Fairbanks hosted 247,098 cruise line rail passengers in 2019 and none in 2020. Ridership will resume this year and boost tourism-linked jobs in recreation, entertainment, eating and drinking, and hotels.

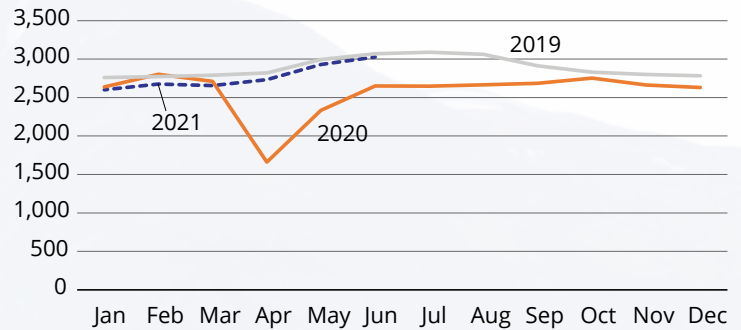
The leisure and hospitality sector as a whole will recover a forecasted 10 percent this year, which would be 400 additional jobs. However, continued staffing shortages and supply chain hiccups will remain a challenge well into 2022.

Retail shed about 300 jobs in Fairbanks as COVID-19 shuttered stores everywhere in 2020. About a third of those jobs returned in 2021, and we forecast a repeat in 2022, with retail recovering another 100 jobs (2.2 percent).

Health care could surpass pre-pandemic job levels

Health care has grown nationwide for years as the population ages, and COVID-19 ramped up the need

Restaurant and bar jobs rebounded quickly



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

for these services. That generated an additional 100 jobs in Fairbanks in 2021, and we expect modest growth to continue in 2022.

The 100 forecasted new jobs for health care (2.4 percent) would make it one of the few industries to surpass its pre-pandemic employment.

As with other industries, health care will face ongoing pandemic-related obstacles this year that could limit growth such as burnout, difficulty finding qualified workers, and high health care costs.

Continued modest losses for local and state government

Government plays a prominent role in Fairbanks, representing about 28 percent of the area's employment in 2021. Those 10,200 public sector jobs were 31 percent federal, 43 percent state, and 26 percent local government.

State government added a small number of jobs in 2021, mainly temporary positions to manage the pandemic response. These included processing unemployment claims at the Department of Labor and Workforce Development and contact tracing for the Department of Health and Social Services. Because some of those positions will disappear this year and multi-year budgetary pressures persist, we expect state government to continue its downward trend in 2022 and lose about 100 jobs, a decline of 2.3 percent.

The University of Alaska Fairbanks accounted for 57 percent of the borough's state government jobs in 2021. UAF's multi-year budget cuts have ended

Continued on page 21

Southeast forecast for 2022

By SARA TEEL

Southeast's reliance on cruise ship tourism made its COVID-related job loss one of the state's largest in 2020. The region's total employment plunged 14.3 percent, or 5,300 jobs. Of those, 3,600 came from three tourism-linked industries: leisure and hospitality, retail, and transportation.

The region recovered 1,100 jobs in 2021. An abbreviated tourist season, healthy salmon harvests, and increased health care demand boosted recovery, albeit modestly.

With a more normal visitor season on the horizon, we forecast the region's employment will reach about 92 percent of its pre-COVID levels. For 2022, that would be 4.3 percent growth, or 1,400 added jobs.

Factors that could limit the region's recovery this year include staffing and supply shortages, higher costs, and new variants of COVID-19.

Seafood processing steady after some recovery last year

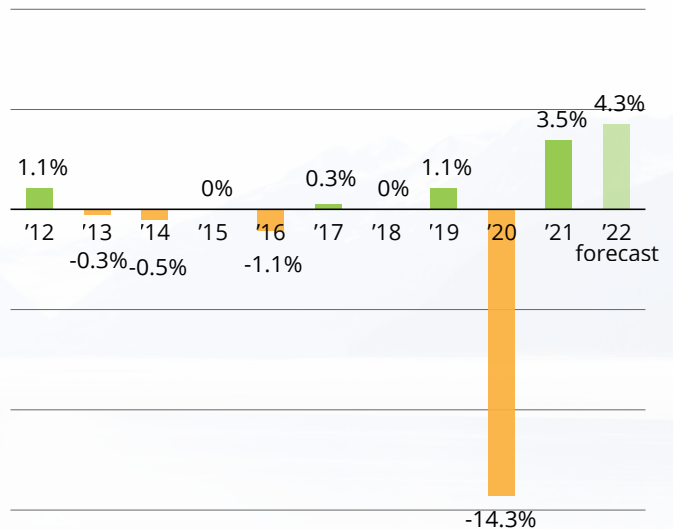
Southeast's large fishing industry struggled in 2020, and seafood processing lost 15 percent of its jobs. The industry grappled with lower catch volumes on top of the pandemic-linked job losses. Runs were so bad that Petersburg and Ketchikan declared local economic disasters.

The state received \$50 million in federal CARES Act pandemic relief for the fishing industry statewide in 2020 and sent out the first round of payments last month.

Last year was better as the industry adapted and multiple harvests came in strong, boosting seafood processing employment by 20 percent. Preliminary reports show a sizable salmon catch in 2021, with sockeye exceeding the 2020 catch by 146 percent, chum by 58 percent, and coho by 34 percent.

Pinks spawn in two-year cycles, so their runs are compared to the parent run two years before. 2021's

Southeast's job loss was 2020's deepest



Note: 2020 and 2021 are preliminary.

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

pinks outperformed the 2019 run by 129 percent. The pink forecast for 2022 is about double the 2018 and 2020 harvests, although both parent years' catches were low.

Salmon demand will grow globally as more of the economy opens, which will buoy prices. As a result, we forecast steady seafood processing employment.

Tourism could hit normal levels in 2022, but unknowns persist

No large cruise ships made it to Alaska in 2020. Canadian ports were closed, and the Passenger Vessel Service Act required Alaska-bound cruise ships to stop in a foreign port, putting the summer cruise passenger count near zero.

The Alaska Tourism Recovery Act, signed into law on May 24, 2021, temporarily allowed cruise ships to sail to Alaska last year. The first large ship since 2019 arrived in Sitka in late July, and Juneau ended the season with 74 port calls.

A total of 115,000 cruise ship passengers visited

The outlook for jobs in Southeast, by industry

	Monthly avg, 2020 ¹	Monthly avg, 2021 ¹	Change, 2020-21	Percent change	JOBS FORECAST		
					Monthly avg, 2022	Change, 2021-22	Percent change
Total Nonfarm Employment²	31,800	32,900	1,100	3.5%	34,300	1,400	4.3%
Total Private	20,000	20,900	900	4.5%	22,300	1,400	6.7%
Mining and Logging	1,000	1,000	0	0%	1,000	0	0%
Construction	1,400	1,400	0	0%	1,500	100	7.1%
Manufacturing	1,500	1,800	300	20.0%	1,800	0	0%
Seafood Product Preparation/Packaging	1,100	1,400	300	27.3%	1,400	0	0%
Transportation, Trade, and Utilities	5,500	5,600	100	1.8%	6,200	600	10.7%
Retail Trade	3,500	3,500	0	0%	3,700	200	5.7%
Transportation and Warehousing	1,700	1,800	100	5.9%	2,200	400	22.2%
Information	400	400	0	0%	400	0	0%
Financial Activities	1,000	1,000	0	0%	1,000	0	0%
Professional and Business Services	1,500	1,400	-100	-6.7%	1,500	100	7.1%
Educational (private) and Health Services	4,000	4,200	200	5.0%	4,200	0	0%
Health Care	2,700	2,800	100	3.7%	2,800	0	0%
Leisure and Hospitality	2,700	3,100	400	14.8%	3,700	600	19.4%
Other Services	1,000	1,000	0	0%	1,000	0	0%
Total Government	11,800	12,000	200	1.7%	12,000	0	0%
Federal, except military	1,400	1,400	0	0%	1,400	0	0%
State, incl. University of Alaska	4,400	4,400	0	0%	4,300	-100	-2.3%
Local and tribal, incl. public schools	6,000	6,200	200	3.3%	6,300	100	1.6%

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

Note: May not sum because of rounding

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

Alaska in 2021, a 91 percent drop from 2019. Many communities focused on independent travelers to augment business.

With Canadian ports now open and travel demand rising, hopes are high for robust passenger numbers in 2022 that could rival pre-pandemic levels. Sitka will also have a new dock ready for ships this year. However, occupancy rates for ships are uncertain, and when this article was published, a highly contagious variant of COVID-19 had just begun to jack up case counts again in other states.

Industries that rely on cruise ships face multiple setbacks as they plan for summer. Domestic and international staffing shortages will constrain employment, supply chain bottlenecks will limit available goods, and consumer behavior might not return to what's typical, especially in the face of a new variant.

Modest retail, leisure and hospitality sector recovery

The retail sector lost 700 jobs in 2020

Southeast's forecasted recovery to pre-pandemic levels, by industry

	2019 jobs	2022 forecasted	Forecasted recovery
Total Nonfarm Employment	37,100	34,300	92%
Total Private	24,600	22,300	91%
Mining and Logging	1,100	1,000	91%
Construction	1,400	1,500	107%
Manufacturing	1,800	1,800	100%
Seafood Product Prep/Packaging	1,300	1,400	108%
Transportation, Trade, and Utilities	7,500	6,200	83%
Retail Trade	4,200	3,700	88%
Transportation and Warehousing	2,900	2,200	76%
Information	500	400	80%
Financial Activities	1,000	1,000	100%
Professional and Business Services	1,600	1,500	94%
Educational (private) and Health Svcs	4,200	4,200	100%
Health Care	2,800	2,800	100%
Leisure and Hospitality	4,300	3,700	86%
Other Services	1,200	1,000	83%
Total Government	12,500	12,000	96%
Federal, except military	1,400	1,400	100%
State, incl. University of Alaska	4,700	4,300	91%
Local and tribal, incl. public schools	6,400	6,300	98%

Note: May not sum because of rounding. 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

Southeast Forecast

and was flat in 2021. By area, though, last year was a mixed bag. With the abridged 2021 tourism season and ongoing mandates, some communities recovered jobs while others continued to lose them.

Yakutat and the Hoonah-Angoon area added retail employment last year, but their industries are small. Skagway, a major tourist destination, lost another 15 percent of its retail jobs in 2021.

We forecast a 5.7 percent recovery for retail in 2022 (200 jobs) as more people travel and shop, but the industry faces pressure from supply chain problems, growing e-commerce, virus spread, and staffing shortages — especially with its low-wage jobs.

The leisure and hospitality sector, which faces a similar list of challenges, lost 1,600 jobs in 2020 and recovered 400 the following year. We forecast another 600 jobs for this year, a 19.4 percent jump.

2022 looks better for transportation after a meager 2021 job recovery

Southeast's transportation sector is more closely tied to tourism than most places in Alaska, with 45.6 percent of its jobs in scenic and sightseeing in 2019. That share fell to 25 percent in 2020. For comparison, it was 21.1 percent statewide in 2019 and just 9.7 percent in 2020.

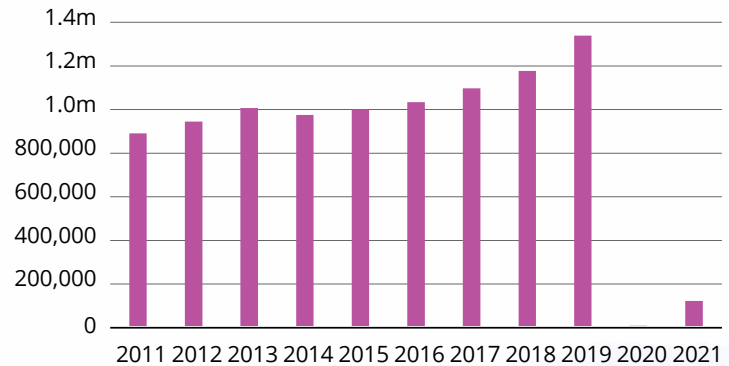
Transportation's recovery was modest in 2021 at 100 jobs (5.9 percent). The shortened tourist season and lack of staff stifled further recovery.

With an active summer season on the horizon, we forecast a stronger recovery this year at 22.2 percent (400 jobs), but a tight labor market and higher fuel costs are downsides.

A range of projects will boost Southeast construction in 2022

Southeast's construction industry weathered the pandemic without losing jobs in 2020 or 2021. We forecast a 7.1 percent jump in employment this year (100 jobs) as the Alaska Department of Transportation and Public Facilities has multiple projects planned: eight in Juneau, six in Ketchikan, two in

Southeast's yearly cruise ship passengers



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

Sitka, and one each in Gustavus, Haines, Hoonah, Metlakatla, Prince of Wales, Skagway, Wrangell, and Yakutat.

The professional and business services sector often supports these projects, as it includes consulting firms as well as temp agencies, janitorial services, and facilities management. It was the only Southeast sector to continue losing jobs in 2021. But because communities are planning for a better tourism season, some initial infrastructure money, and more construction, we expect the industry to grow 7.1 percent in 2022.

State government is the only industry likely to lose jobs

With the capital in Juneau, government plays an out-sized role in Southeast. Government jobs made up almost 40 percent of the region's employment last year but just a quarter statewide. Half of Southeast's public employment is in local government.

State and local governments lost 700 jobs in 2020, mainly in transportation and education. While the pandemic drove local government losses, state government had been on a decade-long decline amid ongoing budget problems.

State government remained flat in 2021. Temporary positions linked to the pandemic lifted state government employment, which would have decreased otherwise. Local government added 200 jobs when students returned to school, mitigating its overall loss.

Local government is forecasted to recover a modest

Southeast Forecast

number of jobs (100). Public school enrollment is recovering from pandemic closures, and some communities are seeing more revenue.

The City and Borough of Juneau increased its hotel/motel tax from 7 percent to 9 percent in 2020, and its first-quarter 2021 sales tax revenue came in \$2.7 million over projections. Skagway, one of the state's hardest-hit communities, received a \$2 million donation from Norwegian Cruise Line last year to ease its losses.

Federal employment has been flat for several years, and we expect that to continue into 2022.

State government will likely lose about 100 jobs this year (-2.3 percent) as temporary jobs end, making it the only sector in Southeast we forecast will decline.

Big costs ahead for ferries, although federal infrastructure money will come

The Alaska Marine Highway System took a major hit

With Canadian ports open and demand rising, tourism could hit new heights, although ship occupancy rates are uncertain.

before the pandemic, as deep budget cuts slashed the numbers of boats and sailings, reduced revenues, and deferred maintenance.

The fleet is aging, and big repairs or replacements will become increasingly necessary. Over the last few years, the state sold the Taku, the Fairweather, and the Chenega and put the Malespina into long-term storage. The Tustumena has hull cracks, and while the Tazlina has been overhauled, there's no crew to staff it.

The federal infrastructure bill will provide more than \$1 billion for Alaska's ferries over five years, although when the influx will start is uncertain.

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FAIRBANKS

Continued from page 17

programs and positions. UAF saw an 8.7 percent enrollment drop for the 2020-2021 school year, the most recent available. That meant about 700 fewer students attended in the fall.

Local government has been cutting services for years, and COVID-19 further reduced revenue, albeit temporarily. A 14.3 percent drop in alcohol tax revenues accompanied the 54.6 percent plunge in bed taxes in 2020, but both have almost regained 2019 levels. Local governments also received a substantial amount of federal pandemic relief money.

Enrollment in the Fairbanks North Star School

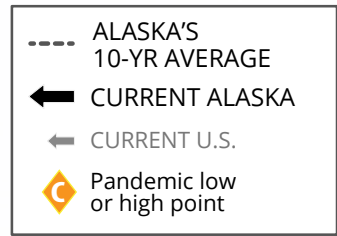
District has declined every year since 2016, and the pandemic exacerbated the decline as enrollment fell 14.8 percent for the 2020-2021 school year. Student numbers will rise in 2022, however, with a population bump and a full return to the classroom.

However, while we forecast recovery of about 100 jobs for local government this year — a 3.8 percent increase — the district is discussing cuts and school consolidations in the longer term.

Fairbanks' federal employment has grown steadily since its 2014 low of 2,900. The 2020 Census drove part of a 200-job increase that year, and about 100 of those disappeared by the end of 2021. We forecast no change for 2022.

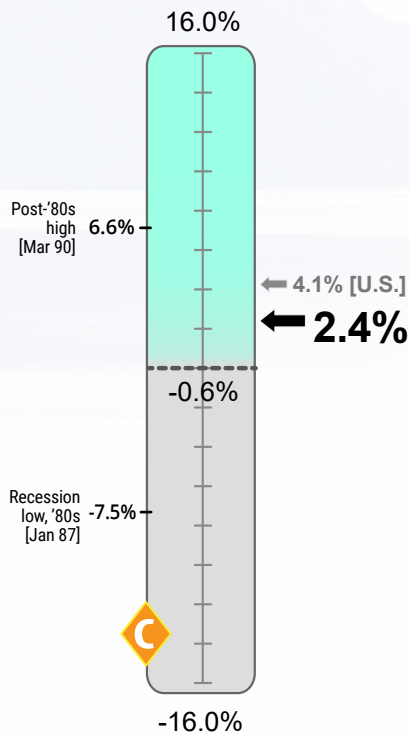
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Gauging The Economy



Job Growth

November 2021
Over-the-year percent change



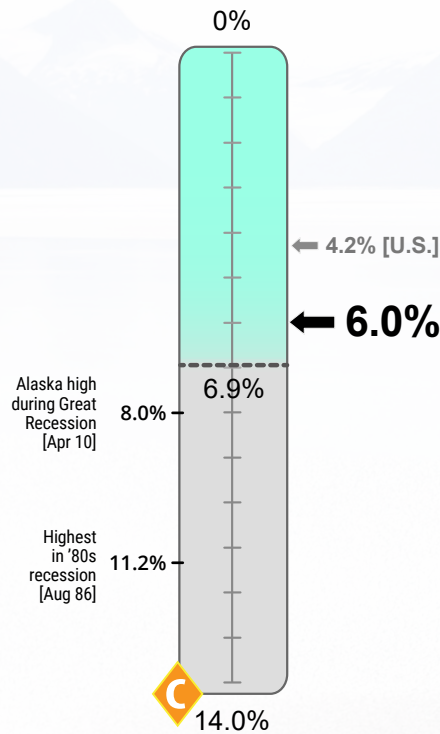
The spread of COVID-19 caused a rapid drop in employment beginning in early 2020.

Although employment is up significantly from 2020 levels, it was still well below the same month's job levels in 2019.

U.S. employment levels, which were up 4.1 percent from November 2020, were still 2.0 percent below November 2019.

Unemployment Rate

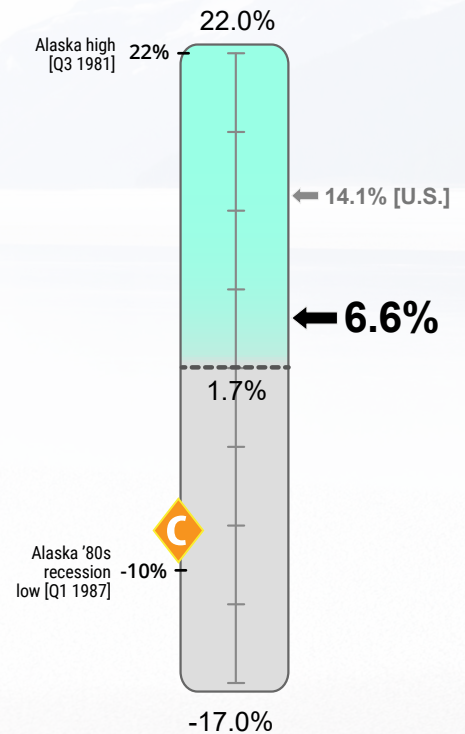
November 2021
Seasonally adjusted



Alaska's unemployment rate has been less useful as an economic measure during the pandemic because of data collection difficulties and an unusually large number of people leaving the labor market — that is, not working or looking for a job.

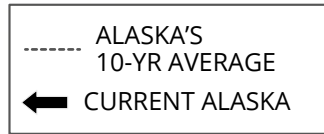
Wage Growth

2nd Quarter 2021
Over-the-year percent change



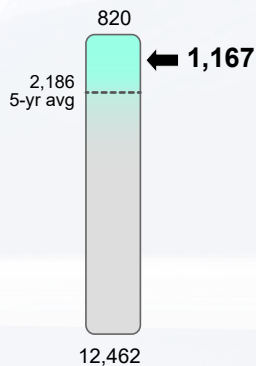
After being well down during the second and third quarters of 2020, total wages paid by Alaska employers climbed above year-ago levels in the fourth quarter of 2020. Wages were up 6.6 percent from year-ago levels in the second quarter of 2021.

Gauging The Economy



Initial Claims

Unemployment, week ending Dec. 4, 2021*

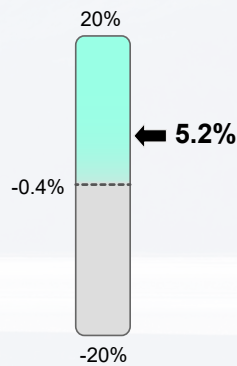


Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads are on the decline, and new claims for benefits are back below their long-term average.

*Four-week moving average ending with specified week

GDP Growth

3rd Quarter 2021
Over-the-year percent change*

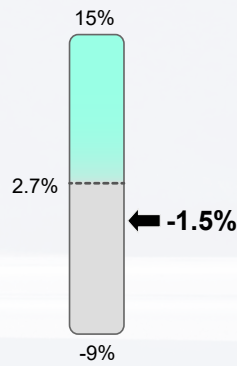


Gross domestic product is the value of the goods and services a state produces. Alaska's GDP fell hard in early 2020 but recovered nearly all those losses in 2021.

*In current dollars

Personal Income Growth

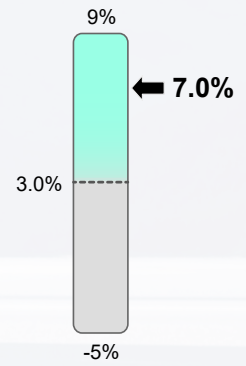
2nd Quarter 2021
Over-the-year percent change



Personal income jumped early this year, largely because of federal COVID-19 relief funding, and has since fallen.

Change in Home Prices

Single-family, percent change from prior year, Q3 2021*

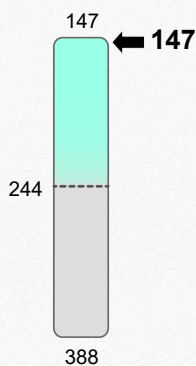


Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

*Four-quarter moving average ending with specified quarter

Foreclosures

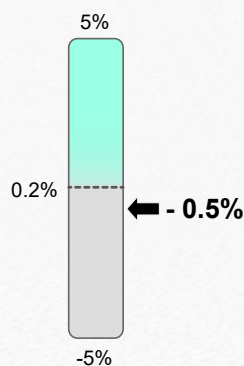
1st Quarter 2020



Foreclosure moratoriums have kept these numbers low during the pandemic.

Population Growth

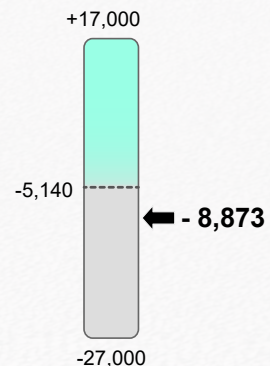
2019 to 2020



This was the fourth straight year of population decline.

Net Migration

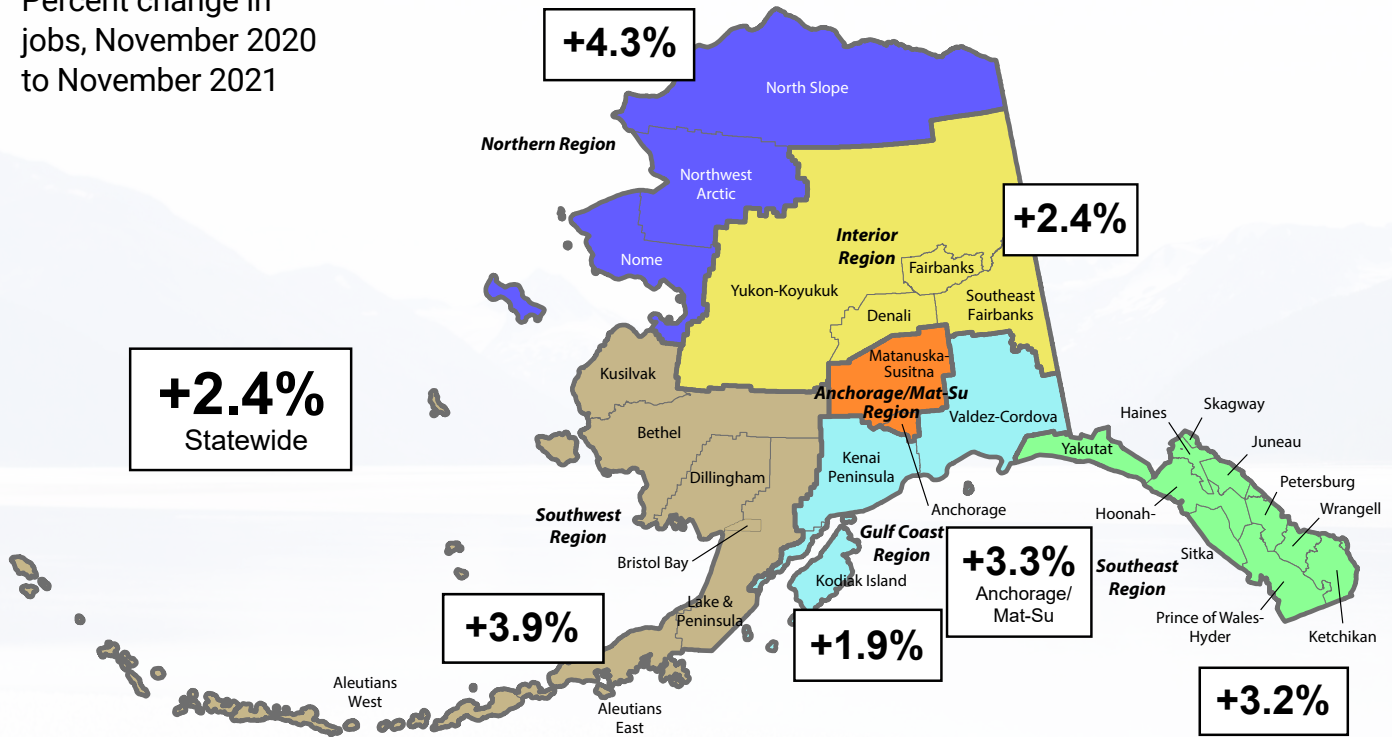
2019 to 2020



The state had net migration losses for the eighth consecutive year in 2020. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, November 2020 to November 2021



Seasonally adjusted

	Prelim.	Revised	
	11/21	10/21	11/20
United States	4.2	4.6	6.7
Alaska	6.0	6.1	6.5

Not seasonally adjusted

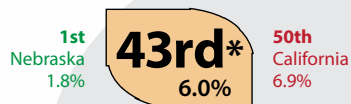
	Prelim.	Revised	
	11/21	10/21	11/20
United States	3.9	4.3	6.4
Alaska	5.4	5.3	6.3

Regional, not seasonally adjusted

	Prelim.	Revised			Prelim.	Revised			Prelim.	Revised	
	11/21	10/21	11/20		11/21	10/21	11/20		11/21	10/21	11/20
Interior Region	5.1	4.9	5.2	Southwest Region	9.3	8.4	8.9	Southeast Region	5.1	5.0	6.2
Denali Borough	15.1	12.5	10.3	Aleutians East Borough	3.2	2.5	4.4	Haines Borough	9.8	8.6	11.1
Fairbanks N Star Borough	4.6	4.4	4.9	Aleutians West	4.2	3.7	4.8	Hoonah-Angoon Census Area	9.4	7.6	10.2
Southeast Fairbanks Census Area	6.3	5.9	6.4	Aleutians West Census Area				Juneau, City and Borough	3.7	3.7	5.0
Yukon-Koyukuk Census Area	9.8	9.2	8.2	Bethel Census Area	11.2	11.0	9.9	Ketchikan Gateway Borough	5.7	5.8	7.5
Northern Region	8.0	8.1	7.8	Bristol Bay Borough	9.4	6.9	8.3	Petersburg Borough	7.6	7.2	6.7
Nome Census Area	8.7	8.3	7.7	Dillingham Census Area	7.1	7.6	7.2	Prince of Wales-Hyder Census Area	6.5	6.3	6.7
North Slope Borough	5.7	6.5	6.2	Kusilvak Census Area	16.3	15.3	14.8	Sitka, City and Borough	4.2	4.0	5.1
Northwest Arctic Borough	9.0	9.3	9.5	Lake and Peninsula Borough	8.3	7.7	7.7	Skagway, Municipality	13.0	10.5	15.8
Anchorage/Mat-Su Region	4.9	4.9	6.0	Gulf Coast Region	6.7	6.1	7.5	Wrangell, City and Borough	6.9	6.4	6.3
Anchorage, Municipality	4.6	4.7	5.9	Kenai Peninsula Borough	6.5	6.1	7.9	Yakutat, City and Borough	8.6	7.5	7.3
Mat-Su Borough	5.8	5.6	6.4	Kodiak Island Borough	6.3	5.0	5.5				
				Valdez-Cordova Census Area	8.2	7.2	7.8				

How Alaska Ranks

Unemployment Rate¹



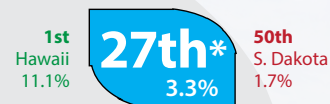
*Tied with Connecticut and Hawaii

Job Growth²



*Tied with Ala., Ark., Del., Okla., and Va.

Job Growth, Private²



*Tied with Missouri and Tenn.

Job Growth, Government²



*Tied with Missouri

Job Growth, Leisure and Hospitality²



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹November seasonally adjusted unemployment rates

²November employment, over-the-year percent change

Sources: U.S. Bureau of Labor Statistics; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

Other Economic Indicators

	Current		Year ago	Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	232.679	1st half 2021	225.049	+3.4%
Commodity prices				
Crude oil, Alaska North Slope, * per barrel	\$82.14	Nov 2021	\$42.92	+91.38%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$5.12	Nov 2021	\$2.87	+78.40%
Gold, per oz. COMEX	\$1,764.50	12/16/2021	\$1,859.10	-5.09%
Silver, per oz. COMEX	\$21.55	12/16/2021	\$25.05	-13.97%
Copper, per lb. COMEX	\$4.18	12/16/2021	\$3.56	+17.42%
Zinc, per lb.	\$1.57	12/16/2021	\$1.29	+21.71%
Lead, per lb.	\$1.06	12/16/2021	\$0.92	+15.22%
Bankruptcies				
Business	40	Q3 2021	76	-47.37%
Personal	2	Q3 2021	3	-33.33%
Personal	38	Q3 2021	73	-47.95%
Unemployment insurance claims				
Initial filings	7,122	Nov 2021	21,629	-67.07%
Continued filings	33,937	Nov 2021	93,375	-63.66%
Claimant count	8,325	Nov 2021	21,842	-61.89%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Energy Information Administration; Kitco; U.S. Census Bureau; COMEX; NASDAQ; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

SAFETY MINUTE

Prevent carbon monoxide poisoning, a silent killer

Simply heating our homes in the winter and running common appliances can create hazardous carbon monoxide: an odorless, colorless gas formed by incomplete combustion of fuels such as gasoline, wood, charcoal, propane, natural gas, and other carbon-based products. Possible sources include:

- Malfunctioning cooking appliances
- Clogged chimneys
- Auto exhaust or idling vehicles
- Malfunctioning water heaters; oil, wood, gas, or coal furnaces; or gas clothes dryers
- Wood-burning fireplaces, gas log burners, or any unvented space heater
- Gas or fuel-burning appliances in cabins or campers, barbecue grills, pool or spa heaters, or ceiling-mounted heating units

January is the most dangerous month for CO-related illnesses and deaths, but carbon monoxide poisoning is preventable. Take the following actions to stop this silent winter killer from taking another life this year:

- Have your furnace, water heater, and any other gas or coal-burning appliances serviced by a qualified technician every year.
- Do not use portable flameless chemical heaters indoors.
- Have your chimney checked and cleaned every year, and make sure your fireplace damper is

open before lighting a fire and well after the fire is extinguished.

- Never use a gas oven for heating your home.
- Never use a generator inside your home, basement, or garage or less than 20 feet from any window, door, or vent; fatal levels of carbon monoxide can be produced in just minutes, even if doors and windows are open.
- Never run a car in a garage that is attached to a house, even with the garage door open. Always open the door to a detached garage to let in fresh air when you run a car inside.
- Have your vehicle's exhaust system checked and serviced after an accident such as a fender bender or driving into a ditch.
- Have working carbon monoxide alarms in the home on every level and outside each separate sleeping area. CO alarms are designed to go off *before* potentially life-threatening levels of carbon monoxide are reached.
- If you use a plug-in type of CO alarm, ensure it has a battery backup so it will continue to work during an outage, especially when using portable generators. Test the alarms once a month, and replace alarm batteries according to the manufacturer's recommendations.

This Safety Minute was written by Anthony Robinson, safety consultant for the Alaska Occupational Safety and Health Consultation and Training Section of the Department of Labor and Workforce Development. For more information on keeping your employees safe, please visit labor.alaska.gov/lss/oshhome.htm.