

The background image shows a coastal town with colorful houses built on a hillside. A tall, red and white lattice tower stands prominently on the right side of the hill. The sky is overcast and misty, with a mountain peak visible in the distance.

# ALASKA ECONOMIC *TRENDS*

MAY 2023

## Home market shifts with rising rates

**ALSO INSIDE** Alaskans' income  
got a big bump in 2022

# FROM THE COMMISSIONER

## Seeing first-hand how training providers serve Alaska

**By Catherine Muñoz, Acting Commissioner**

Alaska has a robust array of training providers across the state. The Alaska Department of Labor and Workforce Development partners with these organizations through state and federal financial support and also supports individual training through our 14 regional job centers.

One of my goals as acting commissioner is to visit each training program to see their important work firsthand and learn how the department can use our federal and state funding to ensure Alaskans are connected to high-quality training. I recently visited several organizations in the Southcentral region and was highly impressed by the number of Alaskans learning new skills and growing their employability.

Last month, I spent a morning with staff and students at the [Alaska Job Corps Center](#) in Palmer. Job Corps, a federal program supported by the U.S. Department of Labor, receives no state funding but plays a key role in Alaska's training network. Students live, study, and learn skills in a safe and structured campus environment, completing general education requirements and getting hands-on skills training at no cost. Students can also get their driver's licenses and prepare for careers in welding, health care (certified nursing assistant and certified medical assistant), building construction technology, culinary arts, and water/wastewater treatment, to name just a few.

Also in the Palmer area, I visited [Northern Industrial Training](#). NIT provides exceptional training, reaching 1,200 students last year, 40 percent being Alaska Native. NIT also offered 133 classes in communities off the road system, such as small engine repair, safety compliance, and a variety of construction-related courses. NIT regularly offers state-of-the-art training in welding and commercial driver's license, among others, and as needs arise, they can offer targeted short-term training.

At the [Alaska Works Partnership](#) in Anchorage,



which also has locations in Fairbanks and the Mat-Su Borough, young Alaskans learn about different industries in short, one-to-two-week classes that provide a glimpse of careers in the construction industry. AWP offers the Alaska Construction Academies and the Alaska Helmets to Hardhats program, which

serves Alaska's veterans, transitioning soldiers, the National Guard, the Reserves, and spouses. I am especially proud of their Women In the Trades program, which helps women transition into well-paid construction careers. In fact, in the past year, 44 percent of AWP applicants were women.

So far this year, AWP has trained more than 700 students. It was exciting to see many diverse Alaskans participating in this unique program.

In late April, I visited the [Alaska Technical Center](#) in Kotzebue and toured the Red Dog Mine with ATC trainees. Created in 1981, ATC provides relevant training programs, including construction trade, health care, process technology, and culinary arts. ATC also offers short-term employer-designed courses and the Alaska Adult Education/GED program. ATC is doing great things to support western Alaska.

Alaska's regional training providers are preparing Alaskans for high-demand jobs. I look forward to strengthening the department's partnerships with Alaska's front-line trainers and learning more about how state and federal training dollars are used to equip Alaska's workforce.

Sincerely,

A handwritten signature in black ink that reads "Catherine Muñoz".

Contact Acting Commissioner Catherine Muñoz at (907) 465-2700 or [commissioner.labor@alaska.gov](mailto:commissioner.labor@alaska.gov).



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*ALASKA ECONOMIC*  
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THE ECONOMY

Trends is a nonpartisan, data-driven magazine that covers a variety of economic topics in Alaska.

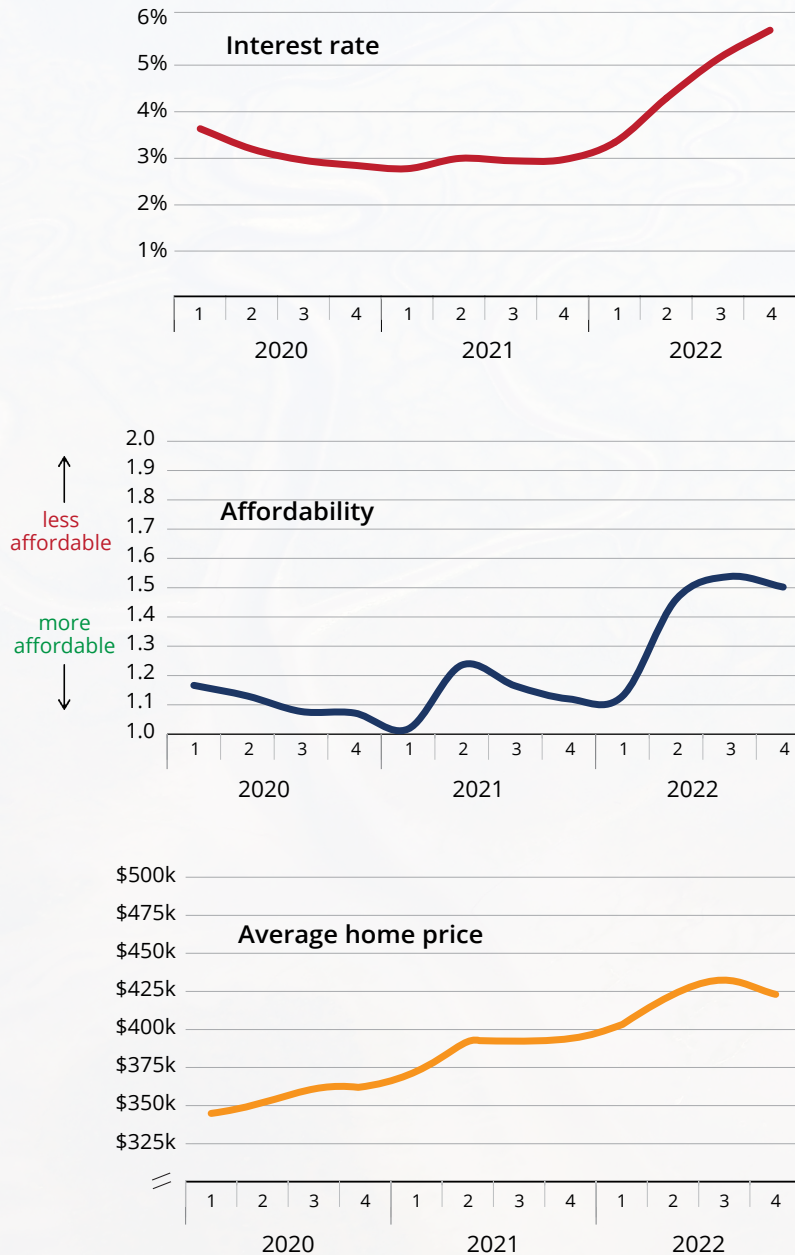
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# Housing market shifts in 2022

## Sharp mortgage interest rate rise dents affordability

### Biggest changes came in 2022 with rate rise



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

By ROB KREIGER

Early 2022 looked like a continuation of the previous two years for Alaska's housing market. In the first quarter, sales prices continued to rise, inventory remained limited, and interest rates — although above their record lows of the year before — were still historically low.

Rate increases accelerated in the second quarter, though, and by the end of 2022, mortgage rates had jumped by 240 basis points,<sup>1</sup> an unprecedented increase in such a short time, to their highest levels since 2008.

The rapid and dramatic rise in rates made housing far less affordable than in 2020 and 2021. At the same time, home prices remained high, driven in part by elevated but unmet demand for new construction.

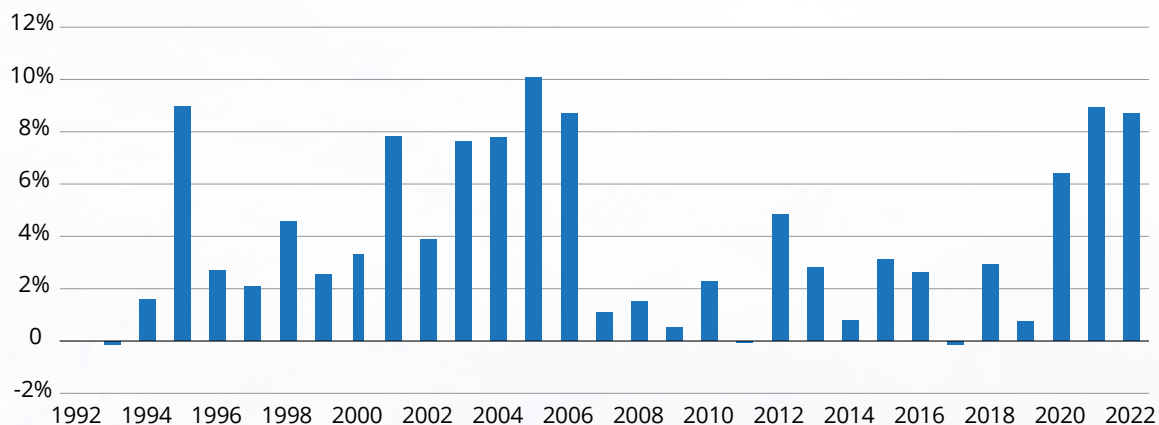
While Alaska's heated market showed signs of cooling toward the end of 2022, a significant price drop appears unlikely this year. The factors that kept availability low over the last few years — which this article will explain after looking at the numbers in detail — may stabilize the market, causing prices to level off rather than drop.

### Interest rates soared in 2022

#### Mortgage interest rates

<sup>1</sup>A basis point is one one-hundredth of a percentage point.

## Average home price went up again in 2022, but by less than 2021



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

averaged 4.63 percent in 2022, up from 2.93 the prior year, which was a record annual low.

Rates jumped well past 4 percent in the second quarter of 2022 — the downstream effect of the Federal Reserve raising interest rates to fight inflation — which was their highest level since 2019. They continued to climb in the second half of the year, to an average of 5.75 percent by the fourth quarter. The rapid ascent from a record low to a 15-year high was unprecedented in this data set, which goes back to 1992.

While low rates in 2020 and 2021 had kept housing

affordable despite large increases in the average sales price, the rate jump immediately rendered housing far less affordable in all parts of Alaska.

## Low interest rates had kept housing affordable for years

Affordability is the average earner's ability to pay the principal and interest on an average-priced home at the average interest rate. (See the sidebar below for more on how we calculate the index.) An index value of 1.0 means a single person's average

## About the affordability index

The Alaska Affordability Index represents the number of average earners needed to afford an average mortgage in their area. The lower the index value, the more affordable a house is. The index value is an area's estimated average monthly mortgage payment for a 30-year conventional mortgage with a fixed interest rate on a single-family house, divided by the average monthly wage.

The average wage is based on what employers report to the Alaska Department of Labor and Workforce Development when they submit their unemployment insurance tax reports each quarter. The estimated average monthly mortgage payment is based on the average sales price and fixed interest rate that mortgage lenders report to the department each quarter in the Survey of Alaska's Lenders, which we conduct with the Alaska Housing Finance Corporation.

## Earners needed to afford average home by Alaska area, 2019-2022

Area	2019	2020	2021	2022
Bethel	1.70	1.55	1.65	2.21
Juneau	1.60	1.45	1.41	1.78
Matanuska-Susitna Borough	1.44	1.28	1.36	1.74
Ketchikan Gateway Borough	1.56	1.38	1.43	1.74
Kodiak	1.60	1.41	1.34	1.60
Anchorage	1.35	1.21	1.21	1.48
Kenai Peninsula Borough	1.15	1.02	1.07	1.42
<b>Statewide</b>	<b>1.24</b>	<b>1.11</b>	<b>1.13</b>	<b>1.41</b>
Mat-Su house, Anc pay	1.07	0.96	1.02	1.33
Fairbanks N. Star Borough	1.11	0.99	1.00	1.24
Rest of Alaska	0.97	0.94	1.02	1.09

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Housing Finance Corporation

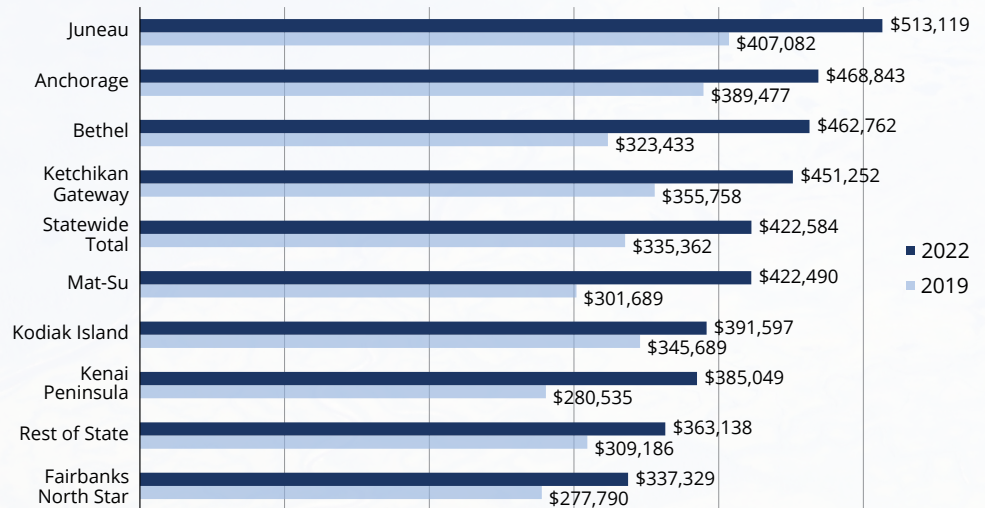
wages can cover the mortgage, with increases in the index showing more monthly wages will be required.

Housing was at its most affordable since at least 1992 in 2020 and 2021 because of higher wages plus low interest rates. Even with sales prices hitting new heights, monthly payments on the average loan remained manageable.

In the first quarter of 2022, the index was at 1.13 statewide, meaning one person's average wages were almost enough to afford the average-priced single-family home. Less than a year later, a mortgage required one person's wages plus another half — the sharpest-ever decrease in affordability. The interest rate rise pushed Alaska housing to its least affordable level since 2010.

This phenomenon wasn't unique to Alaska. The National Association of Realtors' Housing Affordability Index, though calculated differently, uses similar inputs such as income, sales price, and interest rate and it mirrored Alaska's trends. In October 2022, rates averaged nearly 7 percent and housing hit its least affordable level nationally since at least 1995.

## Average home sales price by area, 2019 and 2022



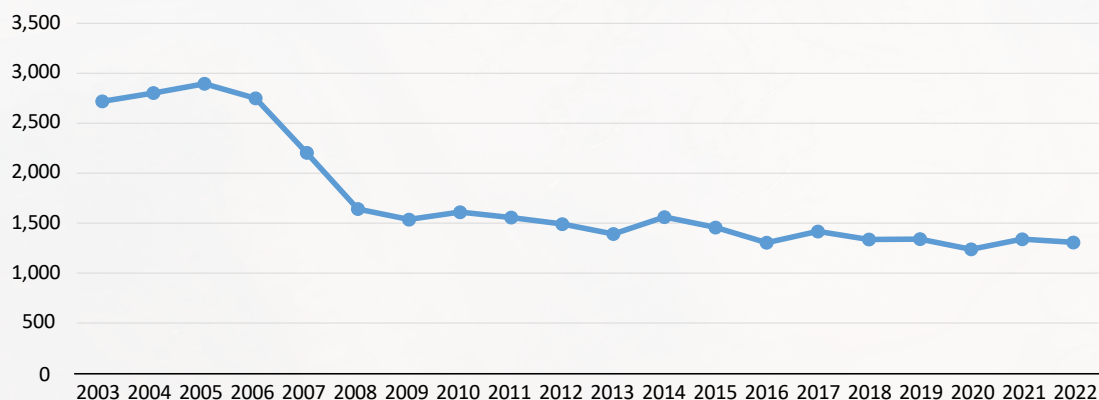
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Housing Finance Corporation

## Housing became less affordable in all parts of Alaska in 2022

Affordability has always varied around the state, with Bethel and Juneau typically the least affordable and Kenai and Fairbanks the most. An Anchorage earner owning a home in the Matanuska-Susitna Borough has also been one of the most affordable scenarios.

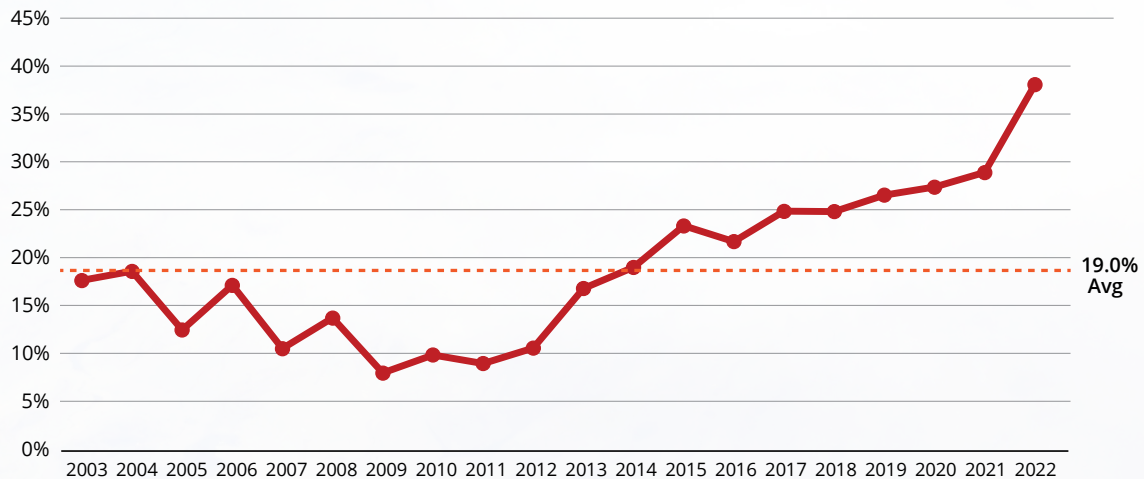
While these rankings held in 2022, all areas became less affordable than they had been before COVID.

## Despite demand, new home construction at a near-low in 2022



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

## Premium paid for new home construction hit a high in 2022



**Source:** Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Housing Finance Corporation

Bethel was the least affordable, with an index value exceeding two typical monthly salaries. Bethel's remoteness, high home prices, and lower wages were all factors.

Juneau was second at 1.78. In addition to higher rates, the average sales price in Juneau — the state's highest at more than \$500,000 — weighed on its affordability.

Fairbanks and Kenai remained the most affordable, although their index values also rose significantly, and so did the index for working in Anchorage and living in Mat-Su, although it remained a comparatively attractive option.

### Average home prices remain high

Sales prices continued to rise in 2022 but at a slightly slower pace than the year before. The average Alaska home cost \$422,584, up 8.7 percent. While that was a large increase historically, it was smaller than in 2021.

Prices didn't fall despite the jump in interest rates, even in the second half of 2022 as the rate rise steepened and sales slowed. Then, prices fell 2.5 percent in the last quarter with the typical winter slowdown but remained above the last quarter of 2021's prices.

Every area's average price rose significantly over the past three years. Since 2019 — the year before the market began to tighten — the percent increase in the average home price ranged from 43 percent

more in Bethel to 13 percent in Kodiak.

Juneau's \$513,119 was followed by Anchorage at \$468,843. Since 2019, prices in Juneau and Anchorage have jumped 26 and 20 percent, respectively.

At the low end, Fairbanks' average home sales price was \$337,329, up 21.4 percent since 2019, and Kenai's 37 percent increase brought its average price to \$385,049.

These massive increases might seem remarkable at face value, but the data don't show whether the increases are appreciation or changes in the types of properties sold. For example, we can't tell whether houses are larger or on bigger tracts of land. We also don't know whether sales prices in different price ranges are changing at the same rates.

### Demand for new construction is strong but largely unmet

One factor we can pin down in the rising average price is that buyers are paying significantly more for new construction — that is, a home that was either built in the last year or has never been occupied.

Since 2003, we've been able to distinguish the sales of new homes from existing construction. Historically, about 13 percent of yearly sales are for new homes, and that average roughly held through 2022. However, the 19 percent average premium buyers have paid for new construction historically

jumped to over 38 percent in 2022. The premium is how much more new homes cost, on average, than the average for existing homes.

The average sales price for new construction in 2022 was \$560,395 and for existing homes was \$405,610. The rates at which the average prices rose from 2019 also differed. The price of new construction rose 35 percent to existing homes' 24 percent.

In 2022 alone, new construction went up 14.5 percent, the most on record. For existing homes, it was 6.9 percent.

All of this suggests the demand for new homes has risen significantly over the past few years but supply has not kept up. Construction of single-family homes has been decreasing for years and hit a nadir in 2020. As fewer homes have been built over time, the premium for new construction has gone up.

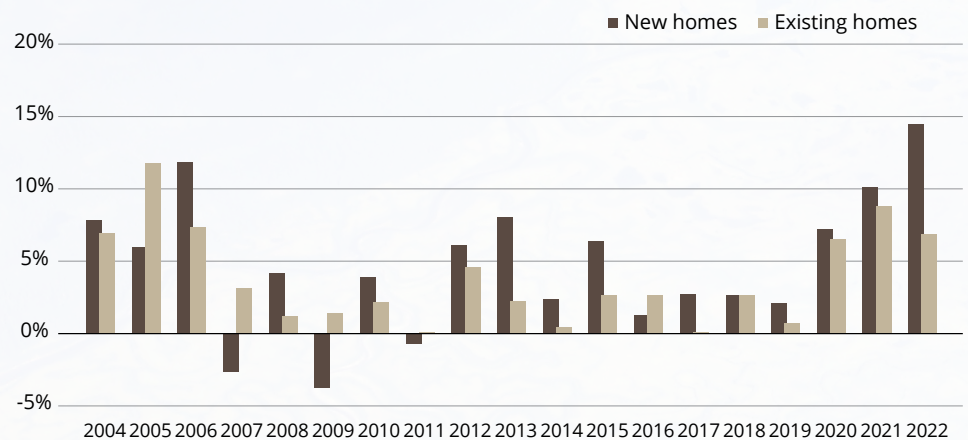
While the decrease in new construction during the pandemic stemmed from supply chain problems that made materials expensive and hard to get, building remained low in 2022 with worker shortages despite the supply chain problems beginning to resolve. Still, even though materials and workers have been factors in recent years, new construction in Alaska has trended downward since 2005.

## Those who buy new appear to be less sensitive to rates

The loan-to-value ratio — the percentage of the purchase price that was borrowed — is lower for new homes than for existing construction, suggesting those who buy new have more money to put down. In 2022, the new construction loan-to-value ratio was historically low, showing those buyers had more cash than usual. Ratios for existing homes were also historically low, but not to the same degree.

One possibility is that more buyers of new homes are upgrading, using proceeds from the sale of

## Prices for new homes rose faster than for existing



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Housing Finance Corporation

their existing homes to make a larger down payment. Last year's buyers may have been less sensitive to rising interest rates, too, because of that additional cushion.

## The market may cool off, but a price collapse is unlikely

Alaska's housing market lacks the conditions that would typically tank house prices. For example, there was no construction run-up before 2022 that would have created a supply glut as rates rose and demand softened, nor was there a flood of houses on the market by panicked sellers worried about missing out on record-high sales prices.

That's not to say we know housing prices won't decrease. Less demand could cause them to drop, but it's more likely that sales will cool down and prices will level off in the near term. The reasons lie in demographic shifts, limited construction, and homeowners staying put rather than losing a low rate on their existing mortgage.

## Factors keeping the market tight

In previous *Trends* articles, we noted how Alaska's growing senior population — which has not grown because more seniors are moving here, but because our existing population is aging — has limited the number of homes for sale. This generation is larger than previous generations and they are also



staying in their homes longer, meaning a sizable percentage of Alaska's housing stock may be occupied by a segment of the population with no motivation to sell.

This might have tightened inventory three years ago, but it appears to be a stabilizing factor now. In other words, if this large group of seniors stays in Alaska — and people 65 and over are less likely to move in general — that would mitigate any broader drive to hurry up and sell to take advantage of high sales prices, keeping the supply lower.

Millennials, born between the early 1980s and the mid-1990s, are another large generation in Alaska with a growing influence on the housing market. They have recently aged into their prime home-buying years.

Rising rates and diminished affordability have affected first-time buyers the most. Although some have been priced out of the market, any downward movement in interest rates can be enough to bring potential buyers off the sidelines. However, they may not be able to borrow as much, and upcoming buyers will be less likely to bid prices up than we've seen over the past few years. To the extent bidding wars have driven some of the recent price increases, they probably won't in the near future.

Another factor is home-building not keeping up with demand. As noted earlier, in 2020 and 2021, the pandemic further limited new construction as supply chain issues made materials more expensive and harder to get. While supply chain problems have partially resolved, the lack of available workers will hamper new construction even if demand remains high.

Sales will likely cool and prices level off. The reasons lie in demographic shifts, limited construction, and homeowners staying put.

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An additional group may be increasingly less likely to sell, which is a new twist with rising interest rates that could further limit inventory. Those who bought a house within the past several years might be unlikely to give up the low interest rate on their existing mortgage, especially if prices remain where they are, and some will also be less able to sell and move. Without significant equity, moving to a new or larger home will be much more expensive in the current environment.

## Migration will be a big influence

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Migration is something to watch because it could play a prominent role in the housing market's trajectory.

In 2022, Alaska marked 10 consecutive years of negative net migration, meaning more people have left the state each year than moved in. The decline in people moving to the state has been a bigger driver than the increase in the number of people leaving.

The imbalance this scenario could create, if it continues, is probably the largest threat to home price stability. If the number of people leaving grows and they are homeowners or of home-buying age, for example, that would increase the housing supply even without more new construction. At the same time, it would mean fewer people wanting to buy houses.

[Click here for more on population and migration.](#)

Rob Kreiger is an economist in Juneau. Reach him at (907) 465-6031 or [rob.kreiger@alaska.gov](mailto:rob.kreiger@alaska.gov).

# Alaska's personal income in 2022

## A bump last year, but gap with U.S. has narrowed long-term

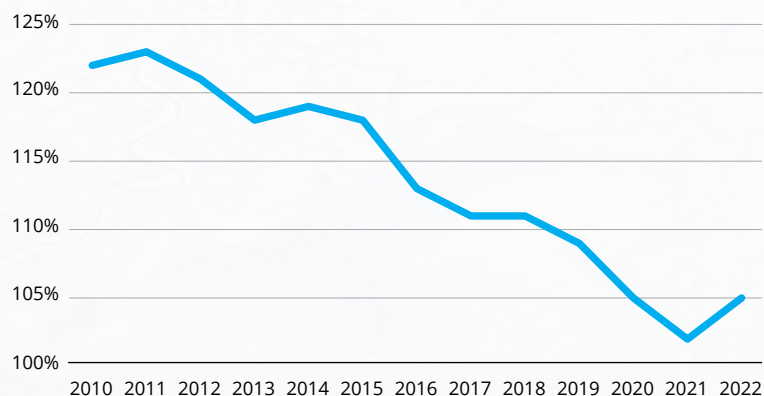
By NEAL FRIED

**A**laska's total personal income, which is all of the income its residents receive, grew 4.8 percent in 2022 — twice the national rate. The state's personal income growth had lagged behind the nation and most states for years as our economy underperformed, but Alaskans enjoyed a bigger bump last year.

Among states, total personal income growth ranged from a low of 0.01 percent in Louisiana to a high of 6.2 percent for Idaho.

Total personal income is linked to population size, though, which makes it less enlightening when looking beyond the growth rate. Alaska ranks 48th among states for total personal income, but our population size also ranks 48th.

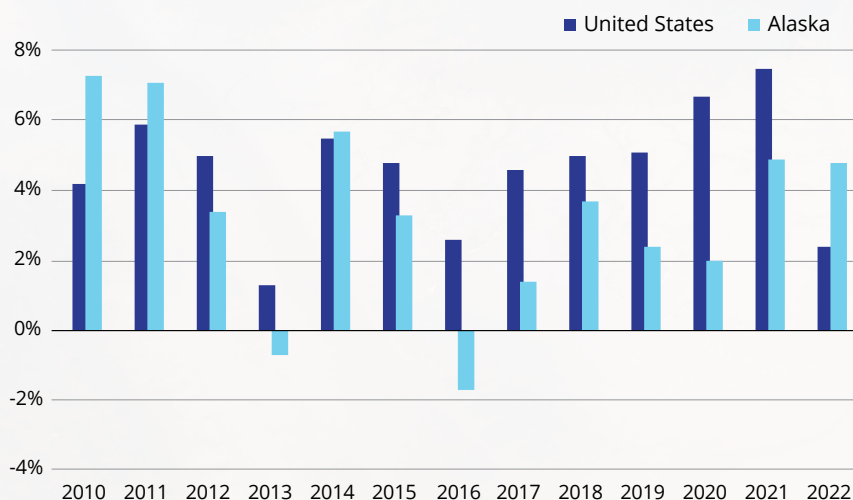
### Alaska per capita income as a percent of U.S.



Source: U.S. Department of Commerce, Bureau of Economic Analysis

Per capita income, which is the amount of annual income per person in the state from nearly all sources, allows for more meaningful comparisons among states. Per capita income is also used as a

### Growth in total personal income for U.S. and Alaska



Source: U.S. Department of Commerce, Bureau of Economic Analysis

The increase in transfer payments more than offset Alaska's losses from pandemic job cuts, and personal income kept growing.

rough barometer for a state's economic well-being.

Alaska's *total* personal income in 2022 was \$50.6 billion, and Washington, which has far more people, had \$589 billion. Dividing our states' total personal income by our respective populations shows Alaska's income per person was \$68,919 and Washington's was \$75,698, ranking Alaska 11th and Washington sixth.

At the top of the list was Connecticut at \$84,972 and at the bottom was Mississippi at \$46,248.

Alaska's per capita income topped that of the U.S. as a whole last year, but not by much, at 105 percent of the national figure.

## What personal income includes

Income covers not just earnings from work but also dividends, interest, rents, and transfer payments, which are mostly government payments in the form of Social Security, veterans' benefits, unemployment benefits, Temporary Assistance for Needy Families benefits, and in Alaska's case, Permanent Fund Dividends.

Private pension payments are not included in personal income. The Bureau of Economic Analysis, which produces the data, captures employer contributions at the time they are made into pension accounts rather than when retirees receive the payments.

That means residents of popular retirement states such as Florida and Arizona are receiving a lot of money that isn't reflected in that year's personal income numbers. It's also a reminder that personal income as defined here is not the same as the Internal Revenue Service's income definition for tax purposes.

## 2022 was a good year for Alaska

Alaskans' income sources didn't vary much from

## Per capita income by state, 2022

		2022 per capita income	Percent of U.S.
1	Connecticut	\$84,972	130%
2	Massachusetts	\$84,945	130%
3	New Jersey	\$78,700	120%
4	New York	\$78,089	119%
5	California	\$77,339	118%
6	Washington	\$75,698	116%
7	New Hampshire	\$74,663	114%
8	Colorado	\$74,167	113%
9	Wyoming	\$71,342	109%
10	Maryland	\$70,730	108%
11	<b>Alaska</b>	<b>\$68,919</b>	<b>105%</b>
12	Illinois	\$68,822	105%
13	Virginia	\$68,211	104%
14	Minnesota	\$68,010	104%
15	North Dakota	\$66,184	101%
16	South Dakota	\$65,806	101%
	<b>United States</b>	<b>\$65,423</b>	<b>100%</b>
17	Rhode Island	\$65,377	100%
18	Pennsylvania	\$65,167	100%
19	Florida	\$63,597	97%
20	Nebraska	\$63,321	97%
21	Vermont	\$63,206	97%
22	Oregon	\$62,767	96%
23	Texas	\$61,985	95%
24	Delaware	\$61,387	94%
25	Nevada	\$61,282	94%
26	Wisconsin	\$61,210	94%
27	Hawaii	\$61,175	94%
28	Kansas	\$60,152	92%
29	Maine	\$59,463	91%
30	Iowa	\$58,905	90%
31	Tennessee	\$58,279	89%
32	Indiana	\$57,930	89%
33	Utah	\$57,925	89%
34	Ohio	\$57,880	88%
35	Montana	\$57,719	88%
36	North Carolina	\$57,416	88%
37	Georgia	\$57,129	87%
38	Michigan	\$56,813	87%
39	Arizona	\$56,667	87%
40	Missouri	\$56,551	86%
41	Oklahoma	\$54,998	84%
42	Louisiana	\$54,622	83%
43	Idaho	\$54,537	83%
44	South Carolina	\$53,320	82%
45	Kentucky	\$52,109	80%
46	Arkansas	\$51,787	79%
47	New Mexico	\$51,500	79%
48	Alabama	\$50,637	77%
49	West Virginia	\$49,169	75%
50	Mississippi	\$46,248	71%

Source: U.S. Department of Commerce, Bureau of Economic Analysis

## Alaska's income bump in 2022 came mainly from the large Permanent Fund Dividend.

the rest of the country in recent years. Our transfer payment share was almost the same, with about 21 percent coming from transfer payments. Earnings from work were a bit higher share in Alaska and dividends (again, not the PFD, but those coming from investments) were far smaller.

In 2020 and 2021, the transfer payment percentages of the whole increased considerably throughout the country when the federal government sent billions of dollars in economic relief payments to most households.

In Alaska, transfer payments went from \$7.9 billion in 2019 to \$9.4 billion in 2020, then to \$10.3 billion in 2021 and 2022. The increase in transfer payments was more than enough to offset Alaska's losses from pandemic-related job cuts, and personal income continued to grow throughout COVID.

In 2022, though, Alaska and the U.S. diverged in terms of transfer payment shares. Most pandemic-related payments had dried up everywhere, and the transfer payment share of national personal income dropped by 15 percent. Alaskas' proportion increased by 1 percent, and the reason is the record-high Permanent Fund Dividend Alaskans received that year. The large PFD was also the main reason Alaska's total personal income grew faster than the nation's in 2022.

## Alaska has lost ground to the U.S. over the long term

While Alaska had a profitable year, the state has lost ground to the nation over the long term. In 2010, Alaska's per capita income was \$49,652 and the nation's was \$40,683 — a 22 percent advantage. At that time, Alaska ranked fifth among states.

By 2022, Alaska's advantage had shrunk to 5 percent and our ranking fell to 11th. The main reasons we lost our lead include slow economic growth over multiple years and the three-year statewide recession during the last decade.

Between 2010 and 2015, Alaska's economy grew slightly each year. After that, through 2018, Alaska

## Per capita income by area, 2021

Area	Per capita income
<b>Alaska*</b>	<b>\$65,813</b>
Aleutians East Borough	\$60,174
Aleutians West Census Area	\$65,812
Anchorage, Municipality	\$72,032
Bethel Census Area	\$48,189
Bristol Bay Borough	\$155,155
Chugach Census Area	\$70,362
Copper River Census Area	\$55,378
Denali Borough	\$107,916
Dillingham Census Area	\$61,572
Fairbanks North Star Borough	\$65,314
Haines Borough	\$88,152
Hoonah-Angoon Census Area	\$60,837
Juneau, City and Borough	\$75,996
Kenai Peninsula Borough	\$59,041
Ketchikan Gateway Borough	\$72,278
Kodiak Island Borough	\$69,546
Kusilvak Census Area	\$36,753
Lake and Peninsula Borough	\$67,539
Matanuska-Susitna Borough	\$54,207
Nome Census Area	\$58,882
North Slope Borough	\$73,320
Northwest Arctic Borough	\$52,915
Petersburg Borough	\$78,295
Prince of Wales-Hyder CA	\$53,266
Sitka, City and Borough	\$75,917
Skagway, Municipality	\$71,409
Southeast Fairbanks Census Area	\$58,988
Wrangell, City and Borough	\$61,327
Yakutat, City and Borough	\$66,375
Yukon-Koyukuk Census Area	\$63,452

\*Because area-level per capita income is only available through 2021, this table provides Alaska's 2021 figure for comparison. As mentioned in the article, in 2022, statewide per capita income was \$68,919.

Source: U.S. Department of Commerce, Bureau of Economic Analysis

lost 5,800 jobs during the recession prompted by a plunge in oil prices in 2015, jobs that were disproportionately high wage. Over those same years, the nation's economy was on an expansion streak that lasted most of the decade.

On top of those differences, the nation's economic recovery from the pandemic slump has been much stronger than Alaska's — Alaska is at the bottom of the list for recovery by state. Given Alaska's poor performance on several economic fronts, it might be surprising that our income held up as well as it did.

Drilling down further into per capita personal

income provides another angle. Per capita *disposable* income is the income left after taxes are paid. After that adjustment, Alaska's per capita income's position relative to the nation and many states improves slightly, as Alaska has one of the lowest tax burdens in the U.S. Adjusting for taxes puts Alaska's per capita disposable income at \$62,045 in 2022, which moves us up one notch, to 10th place.

## Income disparities around Alaska

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Alaska's income disparity around the state is noteworthy and often split along rural and urban lines. In many rural areas, per capita income is well below both statewide and nationwide averages, and if cost-of-living is factored in, the gaps become even larger.

The lack of economic opportunities in rural areas helps explain these differences. Households in rural Alaska also tend to be larger and the population younger, which further depresses per capita income. (Children figure in to the per capita calculation, but they don't bring in much income aside from the PFD.)

There are exceptions, however. (Note that for per capita income by area, 2021 is the most recent year available.) The highest per capita income in 2021 was an eye-popping \$155,155 in the rural Bristol Bay Borough. The lowest was also in a rural area, at \$36,753 for the Kusilvak Census Area in western Alaska.

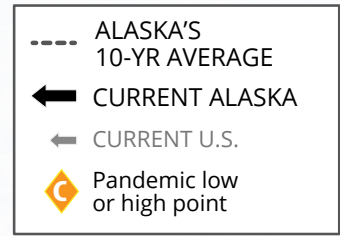
Rural is where the similarities end. The Bristol Bay Borough has just 800 residents and is in the center of the largest and most lucrative commercial salmon fisheries in the world. In contrast, Kusilvak has 13 isolated communities with a total population of 8,158 in 2022 and few economic opportunities.

Demographics also play a role. Bristol Bay's median age was 41.3 in 2021, making it one of the oldest parts of the state, and Kusilvak was the youngest at 24.2. This means a much larger share of Bristol Bay's population is in the labor force, whereas Kusilvak has far more children.

Nearly 63 percent of Bristol Bay's population was of working age in 2021 (ages 20 to 64) compared to 51 percent in Kusilvak.

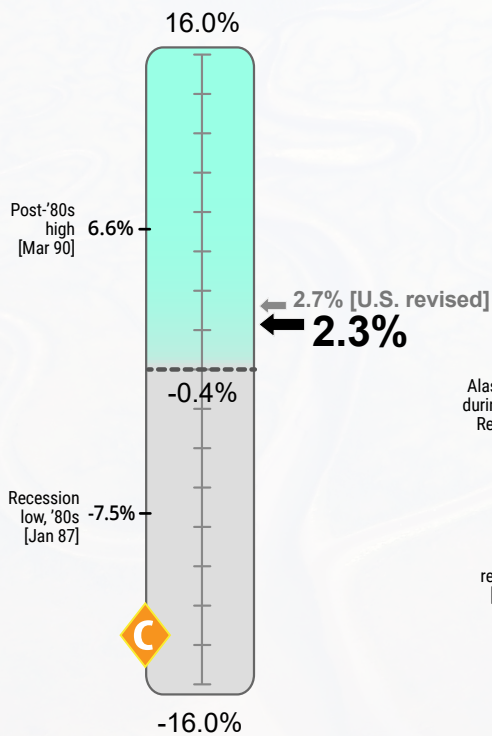
Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or [neal.fried@alaska.gov](mailto:neal.fried@alaska.gov).

# Gauging The Economy



## Job Growth

March 2023  
Over-the-year percent change

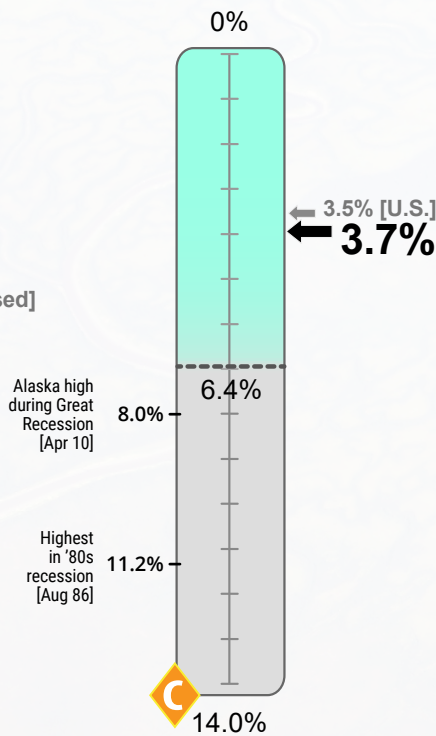


The spread of COVID-19 caused rapid job loss in early 2020. Although employment is up significantly from pandemic lows, it is still 0.6 percent below March 2020, right before the pandemic.

U.S. employment, which was up 2.7 percent from March 2022, is now 3.0 percent above its 2020 level.

## Unemployment Rate

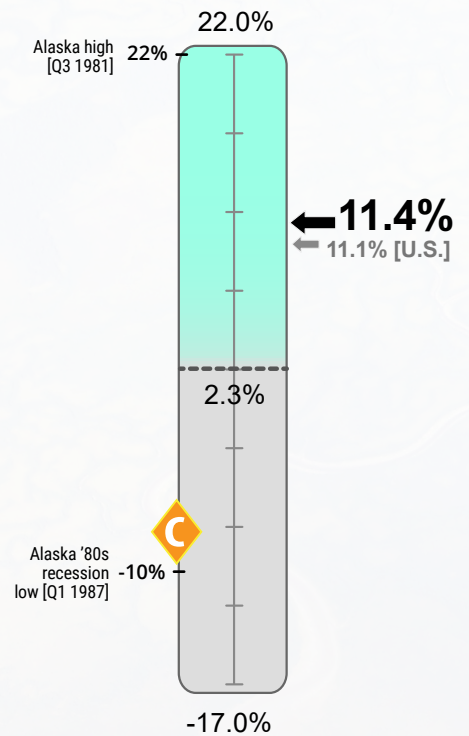
March 2023  
Seasonally adjusted



Alaska's unemployment rate has been less useful as an economic measure during the pandemic and its aftermath because of data collection difficulties.

## Wage Growth

3rd Quarter 2022  
Over-the-year percent change



After being well down during the second and third quarters of 2020, total wages paid by Alaska employers climbed back above year-ago levels every quarter since the second quarter of 2021.

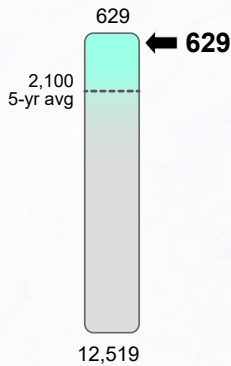
Wages were up 11.5 percent from year-ago levels in the third quarter of 2022 and 13.5 percent above third quarter 2019.

# Gauging The Economy

----- ALASKA'S  
10-YR AVERAGE  
← CURRENT ALASKA

## Initial Claims

Unemployment, week ending April 15, 2023\*

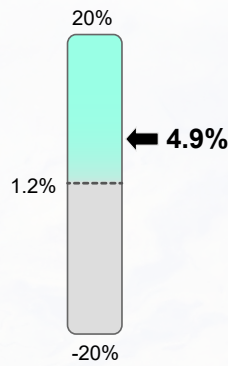


Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads have fallen, and new claims for benefits are back below their long-term average.

\*Four-week moving average ending with specified week

## GDP Growth

4th Quarter 2022  
Over-the-year percent change\*

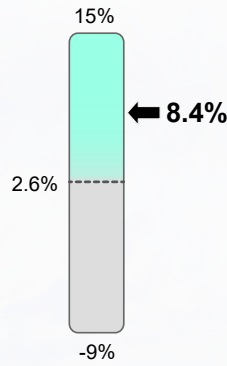


Gross domestic product is the value of the goods and services a state produces. Alaska's GDP fell hard in early 2020 but recovered most of those losses in 2021 and 2022.

\*In current dollars

## Personal Income Growth

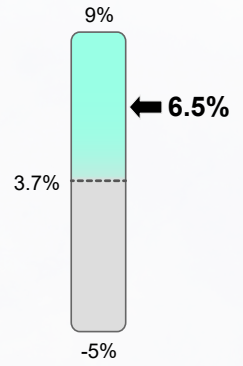
4th Quarter 2022  
Over-the-year percent change



Personal income consists of three main parts: 1) wages and salaries; 2) dividends, interest, and rents; and 3) transfer payments (payments from governments to individuals).

## Change in Home Prices

Single-family, percent change from prior year, Q4 2022\*

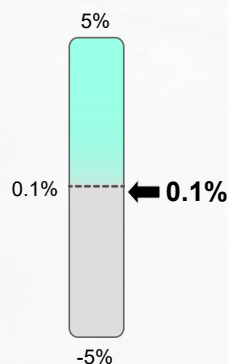


Home prices shown include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

\*Four-quarter moving average ending with specified quarter

## Population Growth

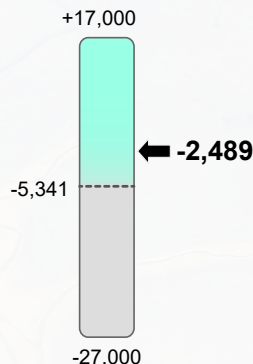
2021 to 2022



After four years of decline, Alaska's population grew slightly in 2021 and 2022, as natural increase (births minus deaths) slightly exceeded losses from migration.

## Net Migration

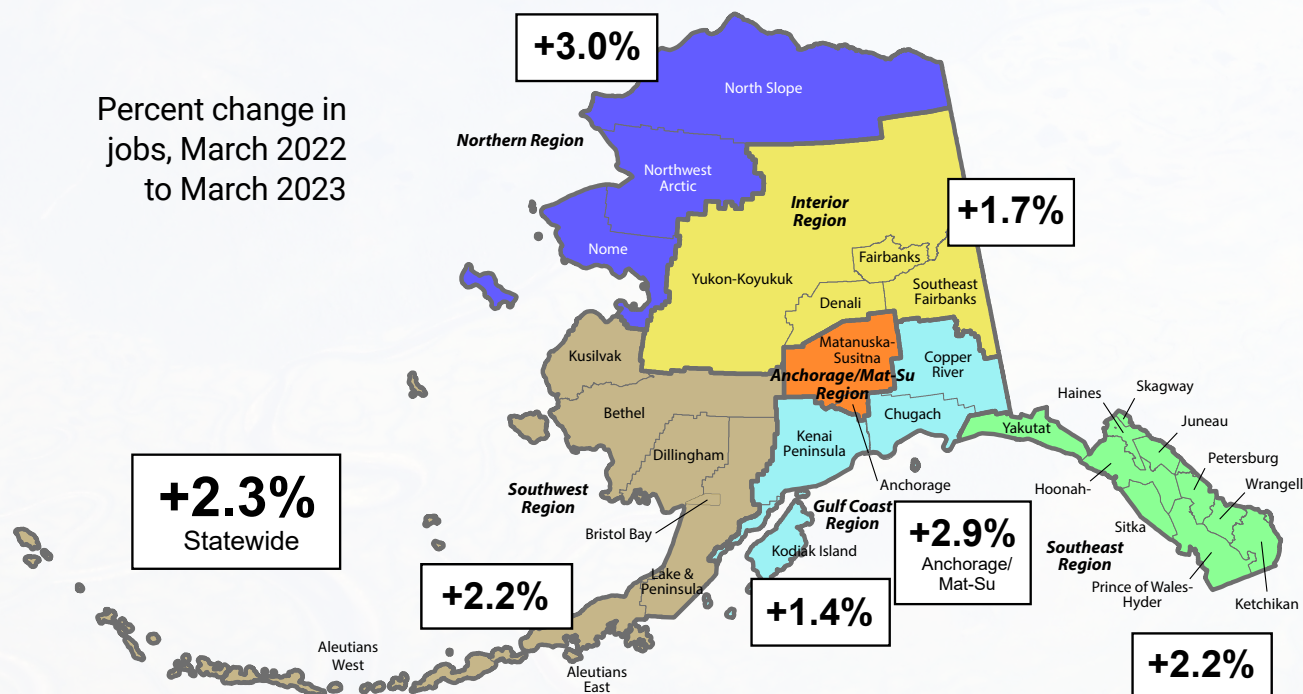
2021 to 2022



The state had net migration losses for the tenth consecutive year in 2022, although the losses have become smaller. Net migration is the number who moved to Alaska minus the number who left.

# Employment by Region

Percent change in jobs, March 2022 to March 2023



## Unemployment Rates

Seasonally adjusted

Not seasonally adjusted

	Prelim. Revised		
	3/23	2/23	3/22
United States	3.5	3.6	3.8
Alaska	3.7	3.8	4.7

	Prelim. Revised		
	3/23	2/23	3/22
United States	3.6	3.9	4.1
Alaska	4.0	4.5	5.4

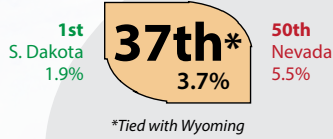
## Regional, not seasonally adjusted

	Prelim. Revised				Prelim. Revised				Prelim. Revised		
	3/23	2/23	3/22		3/23	2/23	3/22		3/23	2/23	3/22
<b>Interior Region</b>	<b>4.1</b>	<b>5.5</b>	<b>4.9</b>	<b>Southwest Region</b>	<b>6.1</b>	<b>7.6</b>	<b>7.0</b>	<b>Southeast Region</b>	<b>4.0</b>	<b>5.5</b>	<b>4.6</b>
Denali Borough	12.3	15.2	13.3	Aleutians East Borough	1.3	1.9	1.6	Haines Borough	8.5	11.4	10.1
Fairbanks N Star Borough	3.6	4.9	4.4	Aleutians West Census Area	1.9	2.2	2.1	Hoonah-Angoon Census Area	10.4	11.4	9.9
Southeast Fairbanks Census Area	5.4	7.8	6.8	Bethel Census Area	8.6	10.9	9.9	Juneau, City and Borough	2.6	3.9	3.3
Yukon-Koyukuk Census Area	9.3	11.0	9.9	Bristol Bay Borough	8.6	12.1	9.7	Ketchikan Gateway Borough	4.4	5.8	5.0
<b>Northern Region</b>	<b>6.9</b>	<b>8.2</b>	<b>7.8</b>	Dillingham Census Area	5.7	7.6	6.9	Petersburg Borough	5.0	7.9	7.0
Nome Census Area	6.9	8.5	8.2	Kusilvak Census Area	12.9	15.3	13.8	Prince of Wales-Hyder Census Area	7.3	7.6	6.4
North Slope Borough	4.1	6.3	5.4	Lake and Peninsula Borough	5.6	7.8	8.5	Sitka, City and Borough	2.9	4.1	3.4
Northwest Arctic Borough	10.0	9.9	9.8	<b>Gulf Coast Region</b>	<b>4.8</b>	<b>7.4</b>	<b>6.1</b>	Skagway, Municipality	9.1	17.2	11.7
<b>Anchorage/Mat-Su Region</b>	<b>3.5</b>	<b>4.9</b>	<b>4.3</b>	Kenai Peninsula Borough	7.0	7.4	6.7	Wrangell, City and Borough	4.8	7.4	6.1
Anchorage, Municipality	3.0	4.4	3.8	Kodiak Island Borough	3.0	6.2	4.2	Yakutat, City and Borough	7.0	7.4	6.7
Mat-Su Borough	5.0	6.4	5.9	Chugach Census Area	6.2	4.3	3.8				
				Copper River Census Area	9.6	14.5	13.0				

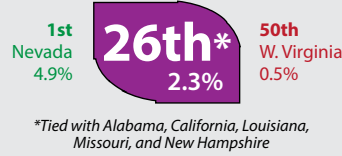


# How Alaska Ranks

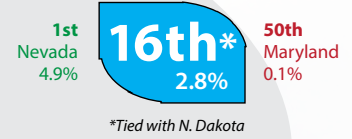
## Unemployment Rate<sup>1</sup>



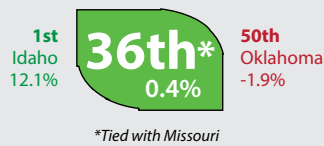
## Job Growth<sup>2</sup>



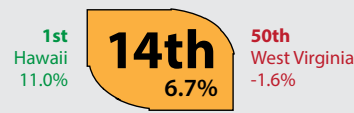
## Job Growth, Private<sup>2</sup>



## Job Growth, State Government<sup>2</sup>



## Job Growth, Leisure and Hospitality<sup>2</sup>



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

<sup>1</sup>March seasonally adjusted unemployment rates

<sup>2</sup>March 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
<b>Urban Alaska Consumer Price Index</b> (CPI-U, base yr 1982=100)	260.576 2nd half 2022	252.271	+3.3%
<b>Commodity prices</b>			
Crude oil, Alaska North Slope, * per barrel	\$76.86 Mar 2023	\$110.41	-30.4%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$2.41 Mar 2023	\$4.98	-51.6%
Gold, per oz. COMEX	\$2,004.50 4/26/2023	\$1,904.10	+5.3%
Silver, per oz. COMEX	\$25.09 4/26/2023	\$23.59	+6.4%
Copper, per lb. COMEX	\$3.86 4/26/2023	\$4.46	-13.5%
Zinc, per lb.	\$1.20 4/26/2023	\$1.89	-36.5%
Lead, per lb.	\$0.97 4/26/2023	\$1.04	-6.7%
<b>Bankruptcies</b>			
	44 Q4 2022	50	-12%
Business	4 Q4 2022	5	-20%
Personal	40 Q4 2022	45	-11.1%
<b>Unemployment insurance claims</b>			
Initial filings	3,418 March 2023	4,286	-20.4%
Continued filings	23,657 March 2023	28,624	-11.3%
Claimant count	6,196 March 2023	7,741	-10.8%

\*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

## EMPLOYER RESOURCES

### Wasilla couple receives U.S. small business award

Hats off to Alaska's 2023 Small Business Persons of the Year, Amie and John Sommer of Tutka, LLC in Wasilla!

For more than 50 years, the U.S. Small Business Administration has celebrated National Small Business Week, which recognizes the critical contributions of U.S. entrepreneurs and small business owners.

The signature Small Business Person of the Year award goes to eligible nominees who are evaluated on their business's staying power; employment growth; increase in sales, profit, and net worth; response to adversity; and contributions to community-oriented projects during a three-year period. Award winners in 14 categories from all 50 states and U.S. territories will be honored in Washington, D.C., April 30 through May 6, 2023.

Amie Sommer says, "We are honored to be selected for this award and are hopeful that we win at the national level. It's very rewarding to be recognized for the hard work and accomplishments we have achieved over the past 24 years. Alaska is our home and we are blessed with a wonderful business environment and the best, most skilled workers in the nation. Our company tag line/motto is 'where engineering meets the environment,' as this explains our line of work perfectly. Whether it's building bridges or cleaning up a contaminated site, it's all about careful planning and making Alaska a better place to live."

To learn more about National Small Business Week and nominations, visit [sba.gov/nsbw](https://sba.gov/nsbw). For assistance with all of your business's recruitment



*John and Amie Sommer of Tutka, LLC*

needs, labor market information, employer incentives, and more, contact or visit your nearest [Alaska Job Center](#).

*Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.*