



ALASKA ECONOMIC
TRENDS
SEPTEMBER 2021

THE
2021 RENTAL MARKET

ALSO INSIDE

How states are recovering

New survey asks about
COVID's household impacts

FROM THE COMMISSIONER

Workforce Development Month brings range of opportunities

By Dr. Tamika L. Ledbetter, Commissioner

September is Workforce Development Month. It was created in 2005 by the National Association of Workforce Development Professionals to promote education, training, and support resources for the U.S. workforce. I see Workforce Development Month as an opportunity to commend Alaska's workers and encourage further career development and advancement.

At the Alaska Department of Labor and Workforce Development, temporary workers played a key role in the state's response to the pandemic, helping Alaskans weather the largest economic downturn in our history. More than 400 temporary workers helped distribute over \$1.3 billion in state and federal unemployment insurance.

At the height of the pandemic, 65,000 Alaskans had active unemployment benefit claims. The entry-level workers brought on to handle the enormous increase in call volume were key to the mission's success. In the process, these individuals gained valuable customer service and communication skills, transferrable to both the private and public sectors.

My grandmother used to say that all work is honorable and should be done with respect for those we serve. This lesson should be taught to all young people considering job and career options. The lessons I learned as a teenager picking up trash in the inner-city parks of New York are as valuable to me today as those I gained much later in my professional career.

As the economy rebuilds, opportunities abound for workers interested in advancing or starting a new



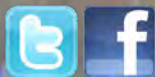
career. Alaska's job listing network shows more than 18,000 openings across the state in all sectors of the economy. Top recruiters are looking for workers in health care, social services, education, retail, public administration, and hospitality.

The department manages numerous federal and state training programs. We work closely with industry and our training partners to ensure Alaskans are trained and ready for work. To access these services, visit labor.alaska.gov or call the Alaska Job Center Network at (877) 724-2539.

Last month, Reps. Ivy Spohnholz and Ken McCarthy presented the Department of Labor with a legislative citation recognizing outstanding public servants. It states:

"From the 1964 earthquake to today, the spirit of public service in the face of disaster and uncertainty has carried our state through many challenges. This spirit was exemplified by the public servants who helped unprecedented numbers of Alaskans navigate unemployment: Department of Labor workers who returned from retirement to lend a helping hand, short-term and full-time claims officers, staff in the Employment Security tax office, Research and Analysis, Benefits Adjudication and Fraud Prevention, as well as the leadership of the Department, and countless others."

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



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ON THE COVER:

Begich Towers is shown behind the harbor in Whittier. Most Whittier residents live in this 14-story building, which also houses many of Whittier's services: post office, stores, hospital, police department, laundromat, conference room, indoor playground, church, and a floor of bed-and-breakfast rentals. Photo by Flickr user Travis S.

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ALASKA
DEPARTMENT of LABOR
and WORKFORCE
DEVELOPMENT

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that covers a range of economic topics in Alaska.

ON THIS SPREAD: The background image for 2021 is a cloudy sunset in Wasilla.
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Rents up slightly as vacancy drops

Survey shows how COVID, military affected 2021 market

By ROB KREIGER

Rental assistance programs and a moratorium on evictions during the pandemic have kept many renters in their homes and left some landlords without revenue for months.

Despite the extraordinary circumstances, our yearly Alaska rental survey showed a relatively stable rental market in March, one year after the pandemic began.

Rents went up in most surveyed areas and vacancy rates, which had been on the rise for several years, took a sharp downward turn. Tightening of the rental market was driven mainly by military growth in Fairbanks, but most areas' vacancy rates declined. Other factors included people staying put during the pandemic and the real estate market pricing out aspiring new buyers.

Most areas' rents inched up

Overall rents were 2 percent higher than last

Our 2021 rental survey showed a relatively stable market despite the extraordinary circumstances.

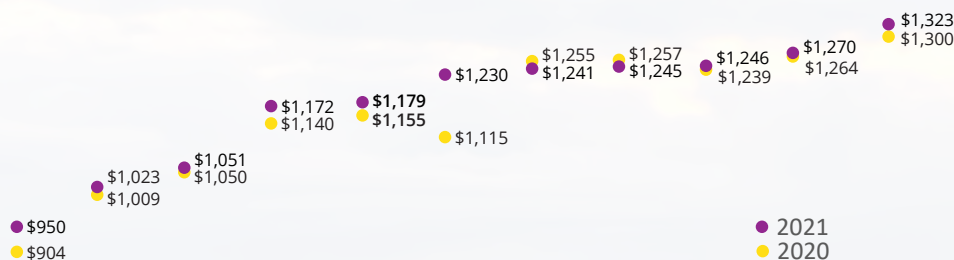
spring. The median adjusted rent for all unit types in all surveyed areas combined was \$1,179. Adjusted rent includes the costs of all utilities, whether they're included in the monthly rent payment or paid separately by tenants. Because utilities can vary so much by area, using adjusted rent makes places comparable. (See the sidebar on page 7.)

Sitka's rent was highest at \$1,323, followed by Kodiak at \$1,270. Wrangell/Petersburg and Kenai had the lowest rents at \$950 and \$1,023, respectively.

Juneau and the Chugach/Copper River area were the only two surveyed areas with lower rents than the year before. Each dropped 1 percent.

Ketchikan's and Wrangell's rents increased the most. Because electricity and water rate increases

Median rent rose in most places between 2020 and 2021



Wrangell-Petersburg Kenai Pen Mat-Su Borough Anchorage Survey total Ketchikan Gateway Chugach/Copper Rvr Juneau Fairbanks Kodiak Sitka

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2021 Rental Market Survey

had just been approved in Ketchikan at the time of the survey, the anticipated rise might have been a factor.

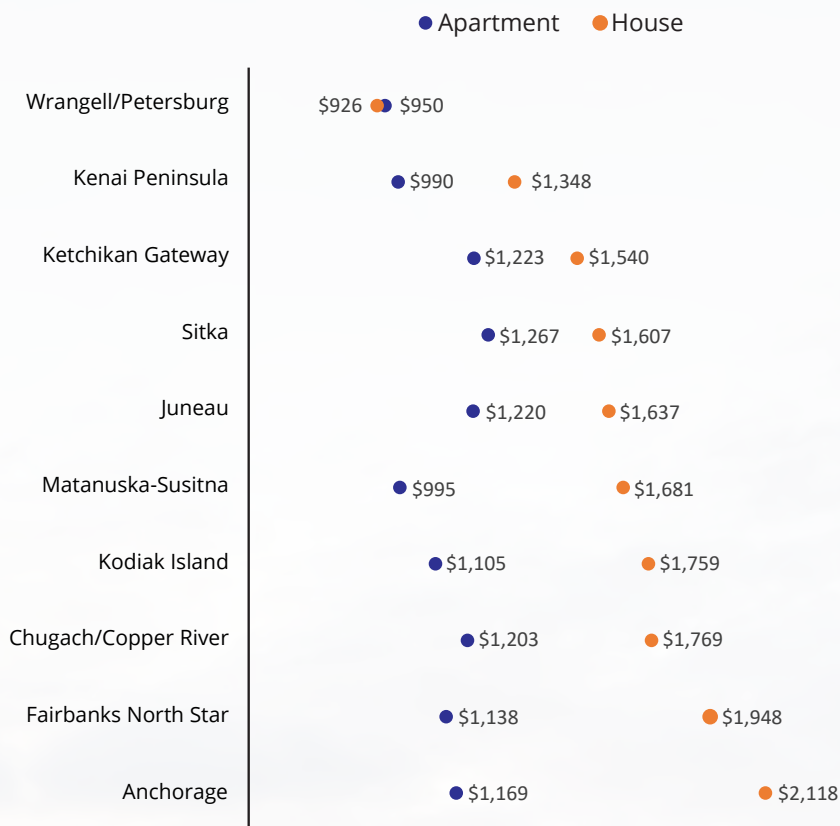
Single-family houses cost more to rent than apartments everywhere except Wrangell/Petersburg. The gap was largest in Anchorage, where renting a house required nearly \$950 more per month. Anchorage was also the most expensive place to rent a house, at \$2,118 per month. Fairbanks was a close second at \$1,948.

For apartments, Sitka had the highest rent at \$1,267, with Ketchikan and Juneau following at \$1,223 and \$1,220.

Wrangell/Petersburg and Kenai had the lowest rents for both apartments and houses.

For detailed survey results and comparisons by the number of bedrooms, see the tables on pages 8 and 9.

Rents for apartments and houses by area in 2021

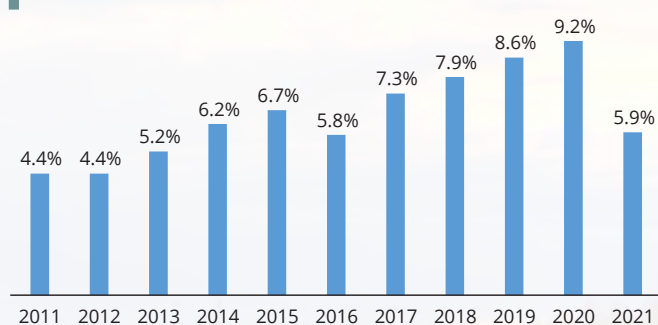


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2021 Rental Market Survey

Big drop in vacancy rates after 4-year rise

Vacancy rates had been on a slow but steady four-year climb until 2021, partly due to more people leaving Alaska than moving here for several years in

Vacancy dropped after four-year rise



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2021 Rental Market Survey

a row. This year, the overall vacancy rate dropped from 9.2 percent to 5.9 percent, although the migration pattern probably hasn't changed significantly.

By area, vacancy rates ranged from a high of 13.1 percent in Kodiak to a low of 2.5 percent in the Matanuska-Susitna Borough.

Besides Kodiak and Juneau, all surveyed areas reported fewer vacancies. Kodiak and Juneau both lost residents to net migration over the last few years. But while Juneau's vacancy rate went up this year — its rent also decreased slightly — the increase was modest and the capital city's rate remains relatively low at 5.6 percent. Kodiak's jump in vacancy came from new multi-unit housing plus more Coast Guard personnel living on base rather than renting in the community.

Renters were more likely to stay put, including those who had lost their jobs. Evictions, which normally create some availability, have been on hold throughout the pandemic.

Others continued to rent because it was more affordable than buying. Sales prices for single-family homes and condos rose considerably this year. With interest rates in the 2.8 percent range and single-family homes averaging near \$372,000, the principle and interest alone on an average 30-year fixed-rate mortgage would be close to \$1,220, plus a 20 percent down payment. Insurance and taxes would add hundreds more per month, ultimately costing far more than the typical rental at \$1,179, which includes the cost of all utilities.

While the pandemic tightened rental availability in several ways, the large influx to Eielson Air Force Base near Fairbanks was the biggest driver. The new F-35A Lightning II fighter jets brought a wave of active duty personnel and their families, contractors, and more civilian workers to Eielson.

Military data show Eielson had 6,164 personnel and family members in the first three months of this year, up from 4,467 at the same time last year and 3,551 in 2019.

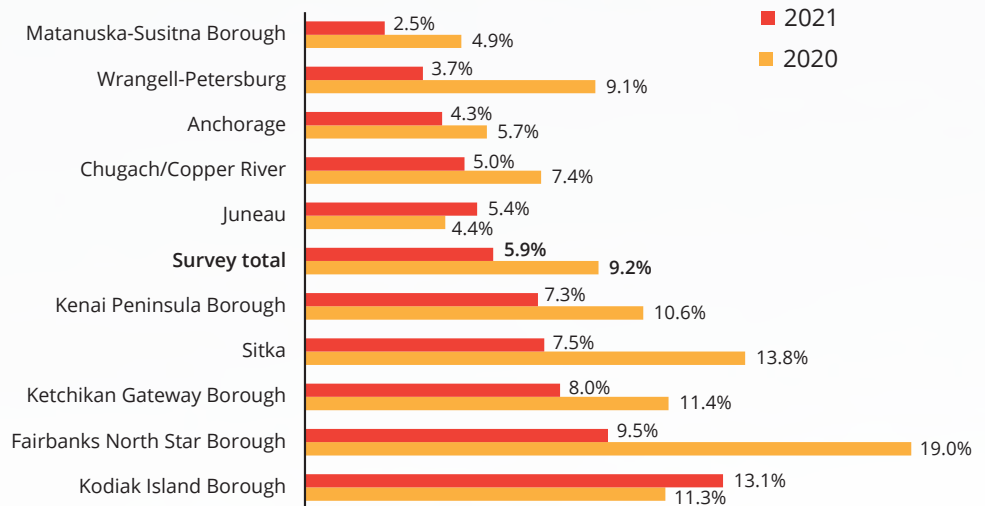
Vacancy rates in Fairbanks fluctuate from year to year because of its transient military and college populations. Fairbanks had the highest vacancy rates in the survey over the last few years, approaching 20 percent in 2020. Although availability tightened and rents ticked up this year, Fairbanks' vacancy rate remains near 10 percent.

What landlords saw this year

We talk to hundreds of landlords and property managers each year while gathering information on their units. Their comments about the state of the rental market, while anecdotal, give additional context to the survey results and shed light on what to watch in the coming year.

The most common theme in 2021 was that landlords had tenants who were behind on rent. Some said their tenants had missed one or two payments

Vacancy rates dropped almost everywhere in 2021



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2021 Rental Market Survey

Eielson's population jumped in 2020

Federal fiscal yr	Quarters	Active duty	Family members	Total	Chg from prior qtr
2018	Oct-Dec	NA	NA	-	-
	Jan-Mar	NA	NA	-	-
	Apr-Jun	1,790	1,204	2,994	-
2019	Jul-Sept	1,761	1,207	2,968	-0.9%
	Oct-Dec	1,830	1,386	3,216	8.4%
	Jan-Mar	1,862	1,689	3,551	10.4%
2020	Apr-Jun	1,968	1,645	3,613	1.7%
	Jul-Sept	1,968	1,645	3,613	0.0%
	Oct-Dec	2,127	1,391	3,518	-2.6%
2021	Jan-Mar	2,228	2,239	4,467	27.0%
	Apr-Jun	2,446	2,373	4,819	7.9%
	Jul-Sept	NA	NA	-	-
2021	Oct-Dec	NA	NA	-	-
	Jan-Mar	2,894	3,270	6,164	-

Notes: The federal fiscal year begins in October. These data do not include contract civilian positions or the Bureau of Land Management. NA means data were not available for those periods.

Source: Eielson Air Force Base, 354th Force Support Squadron

while others said they hadn't received rent in many months and were out thousands of dollars.

In some cases, tenants had applied for pandemic-related rental assistance and were waiting for the funds. In other cases, tenants hadn't applied for assistance or didn't qualify. Some landlords had tenants who had been facing eviction before the

Because the moratorium on evictions hasn't expired, what will happen when it does remains one of the biggest questions.

pandemic, but the moratorium didn't allow them to follow through.

A few landlords said that because of the rental assistance programs, no tenants had missed payments, which hadn't happened in many years. That response varied by area and the types of assistance available through government, nonprofit, or tribal sources.

Many landlords we've surveyed consistently for years had sold their units in 2021. Reasons included downsizing due to the pandemic and taking advantage of the recent strength in the real estate market.

Because the moratorium on evictions hasn't expired, what will happen when it does remains one of the biggest questions. Detailed data on evictions are scarce at the state level because they can be done through the courts or informally, so it's unclear what level would be considered normal.

The Household Pulse Survey, an experimental data project from the U.S. Census Bureau that measures the pandemic's effect on households, estimated that nearly 30 percent of renters who were behind on payments could face eviction within two months. This survey is new and has large margins of error, but it suggests about 4,000 people across Alaska could face eviction when the protections end. Because these data were first produced during the pandemic, we also don't have historical context to know whether that number is high. (For more on the Household Pulse Survey, see page 10.)

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

About the rental survey data

We partner with the Alaska Housing Finance Corporation each spring to survey Alaska landlords in selected areas. Because we conducted the 2021 survey the week of March 11, almost exactly a year after the pandemic began, it allowed a comprehensive look at COVID-19's effects on the rental market.

All rents quoted in this article are median adjusted rent unless otherwise noted. Adjusted rent is the contract rent — the amount paid to the landlord — plus the cost of all utilities. Because utility types and costs vary by area, using adjusted rent makes units more comparable.

The survey combines the Wrangell and Petersburg boroughs because of their small size. The Chugach and Copper River census areas, which used to be the Valdez-Cordova Census Area, are also combined.

Apartment rents by area and bedroom size in early 2021

Area	Bedrooms	Median rent*		Vacancy rate	Percent included in contact rent*						
		Contract	Adjusted		Heat	Lights	Hot water	Water	Trash	Sewer	Snow
Anchorage, Municipality	0	\$800	\$889	5.0%	87.3	45.1	88.9	44.5	100.0	44.5	99.8
	1	\$925	\$1,069	4.0%	86.2	37.4	87.7	39.1	99.8	39.2	97.1
	2	\$1,100	\$1,251	4.3%	75.7	8.3	79.4	49.5	98.8	49.4	95.2
	3	\$1,380	\$1,580	5.5%	58.9	8.3	61.0	72.2	87.8	69.7	76.2
Fairbanks North Star Borough	0	\$615	\$663	14.1%	94.9	75.1	93.8	93.2	92.7	91.5	33.3
	1	\$950	\$1,053	9.1%	98.3	23.0	94.7	98.2	94.1	96.4	85.3
	2	\$1,155	\$1,326	12.3%	95.1	6.3	82.3	96.2	89.6	92.5	88.1
	3	\$1,265	\$1,562	6.1%	84.7	8.7	51.5	89.5	76.0	84.3	84.7
Juneau, City and Borough	0	\$1,025	\$1,058	3.2%	78.6	13.5	83.3	100.0	100.0	100.0	91.3
	1	\$1,000	\$1,046	5.5%	66.4	34.1	69.8	100.0	99.5	99.7	88.7
	2	\$1,250	\$1,320	4.6%	36.8	12.3	29.8	99.5	95.6	100.0	90.3
	3	\$1,750	\$1,889	9.6%	55.3	16.0	33.0	97.9	75.5	100.0	54.3
Kenai Peninsula Borough	0	\$685	\$685	10.9%	84.8	56.5	87.0	100.0	91.3	100.0	91.3
	1	\$775	\$850	8.4%	79.1	26.2	80.0	95.1	89.3	95.1	95.6
	2	\$900	\$1,023	7.7%	78.1	16.3	74.8	92.8	91.8	91.1	93.8
	3	\$1,050	\$1,175	8.4%	66.4	24.3	66.4	82.2	85.0	79.4	87.9
Ketchikan Gateway Borough	0	\$800	\$850	2.0%	96.0	88.0	96.0	90.0	88.0	90.0	86.0
	1	\$870	\$1,054	7.1%	83.0	50.9	67.9	58.0	56.3	58.9	63.4
	2	\$1,065	\$1,279	6.9%	75.5	27.7	47.8	39.6	36.5	40.9	57.2
	3	\$1,265	\$1,488	9.4%	78.1	10.9	46.9	14.1	12.5	18.8	54.7
Kodiak Island Borough	0	\$750	\$828	23.4%	97.9	6.4	53.2	100.0	100.0	100.0	87.2
	1	\$975	\$1,030	7.8%	93.3	37.8	93.3	98.9	97.8	98.9	67.8
	2	\$1,300	\$1,365	14.3%	83.0	16.3	78.9	92.5	91.2	92.5	66.0
	3	\$1,350	\$1,517	22.2%	76.4	5.6	76.4	93.1	90.3	93.1	68.1
Matanuska-Susitna Borough	0	\$625	\$650	4.3%	100.0	95.7	100.0	100.0	100.0	100.0	100.0
	1	\$865	\$937	3.4%	73.6	19.3	71.6	98.0	95.6	97.6	91.9
	2	\$900	\$1,039	3.1%	61.0	9.3	56.5	94.4	91.5	91.0	91.5
	3	\$1,200	\$1,424	1.2%	29.8	10.6	31.1	90.7	75.8	83.2	75.2
Sitka, City and Borough	0	\$750	\$927	5.9%	88.2	17.6	88.2	17.6	88.2	88.2	70.6
	1	\$890	\$1,080	11.2%	64.0	19.1	70.8	24.7	43.8	44.9	71.9
	2	\$1,050	\$1,357	9.1%	26.1	10.2	22.7	17.0	12.5	17.0	58.0
	3	\$1,250	\$1,639	4.1%	16.3	6.1	12.2	6.1	6.1	6.1	49.0
Chugach/Copper River Census Area	0	\$900	\$900	33.3%	100.0	77.8	100.0	100.0	100.0	100.0	100.0
	1	\$888	\$900	5.4%	91.1	62.5	87.5	92.9	92.9	92.9	94.6
	2	\$1,100	\$1,241	4.2%	81.4	22.0	62.7	95.8	95.8	95.8	98.3
	3	\$1,300	\$1,375	0%	84.8	24.2	78.8	93.9	93.9	93.9	90.9
Wrangell-Petersburg CA	0	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
	1	\$665	\$850	0%	50.0	20.8	25.0	41.7	45.8	45.8	45.8
	2	\$749	\$959	4.2%	62.5	6.9	43.1	72.2	72.2	69.4	69.4
	3	\$800	\$980	4.8%	38.1	0	38.1	85.7	71.4	90.5	71.4

*Contract rent is the amount paid to the landlord each month, and it may or may not include the costs of some utilities. To allow for more accurate comparisons, adjusted rent includes the cost of all utilities, including the ones the tenant pays separately.

Note: ND means the number is too small to disclose for confidentiality reasons.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2021 Rental Market Survey

Single-family house rents by area and bedroom size in early 2021

Area	Bedrooms	Median rent*		Vacancy rate	Percent included in contact rent*						
		Contract	Adjusted		Heat	Lights	Hot water	Water	Trash	Sewer	Snow
Anchorage, Municipality	1	\$938	\$1,082	7.1%	28.6	14.3	28.6	57.1	57.1	57.1	42.9
	2	\$1,350	\$1,489	6.7%	16.7	16.7	20	50	40	53.3	16.7
	3	\$1,800	\$2,106	1.5%	6.7	5.2	5.2	17.9	12.7	18.7	8.2
	4	\$2,200	\$2,453	5.9%	2	2	2	19.6	9.8	15.7	5.9
Fairbanks North Star Borough	1	\$925	\$1,108	7.8%	68.6	23.5	54.9	66.7	33.3	70.6	78.4
	2	\$1,300	\$1,568	4.3%	56.4	16	30.9	58.5	37.2	50	39.4
	3	\$1,770	\$1,943	7.0%	77.6	0.9	73.9	79.1	79.6	76.2	4.8
	4	\$1,970	\$2,202	0.9%	68.5	0.9	69.4	76.9	72.2	75	4.6
Juneau, City and Borough	1	\$1,000	\$1,050	6.7%	46.7	26.7	40	100	93.3	93.3	73.3
	2	\$1,450	\$1,520	13.3%	40	20	40	100	60	100	66.7
	3	\$1,800	\$1,967	5.3%	15.8	5.3	5.3	100	47.4	94.7	36.8
	4	\$2,600	\$2,804	11.1%	44.4	44.4	44.4	100	88.9	77.8	44.4
Kenai Peninsula Borough	1	\$700	\$957	2.9%	20.6	23.5	23.5	52.9	23.5	58.8	38.2
	2	\$900	\$1,228	9.5%	17.5	15.9	22.2	60.3	22.2	52.4	41.3
	3	\$1,242	\$1,522	1.1%	16.3	16.3	17.4	66.3	19.6	52.2	20.7
	4	\$1,400	\$1,669	0%	22.7	13.6	18.2	68.2	18.2	68.2	22.7
Ketchikan Gateway Borough	1	\$975	\$1,044	33.3%	55.6	55.6	66.7	77.8	66.7	77.8	22.2
	2	\$850	\$1,116	0%	28.6	0	0	14.3	0	28.6	0
	3	\$1,350	\$1,589	25%	12.5	0	12.5	50	25	62.5	12.5
	4	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
Kodiak Island Borough	1	\$1,150	\$1,305	0%	25	0	0	75	75	75	37.5
	2	\$1,400	\$1,524	10.7%	28.6	7.1	17.9	89.3	92.9	92.9	25
	3	\$1,725	\$1,907	0%	9.5	2.4	4.8	71.4	61.9	66.7	9.5
	4	\$2,100	\$2,320	9.1%	0	0	9.1	81.8	90.9	63.6	18.2
Matanuska-Susitna Borough	1	\$825	\$1,003	0%	27.8	22.2	33.3	88.9	66.7	55.6	33.3
	2	\$1,100	\$1,270	0%	0	4.8	4.8	71.4	57.1	57.1	23.8
	3	\$1,395	\$1,681	1.8%	2.7	2.7	4.4	72.6	61.9	29.2	13.3
	4	\$1,700	\$2,067	0%	3	0	6.1	63.6	33.3	39.4	9.1
Sitka, City and Borough	1	\$800	\$1,123	7.7%	30.8	30.8	30.8	30.8	30.8	30.8	30.8
	2	\$1,100	\$1,457	6.5%	6.5	6.5	6.5	6.5	6.5	6.5	22.6
	3	\$1,740	\$2,082	3%	12.1	9.1	9.1	9.1	9.1	9.1	18.2
	4	\$1,990	\$2,293	0%	0	0	0	0	0	0	16.7
Chugach/Copper River Census Area	1	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
	2	\$1,050	\$1,201	16.7%	16.7	16.7	16.7	50	50	50	33.3
	3	\$1,768	\$1,963	0%	12.5	16.7	16.7	37.5	29.2	37.5	29.2
	4	\$1,550	\$1,963	16.7%	0	0	0	33.3	16.7	50	66.7
Wrangell-Petersburg CA	1	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
	2	\$720	\$917	0%	0	0	0	14.3	42.9	14.3	42.9
	3	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
	4	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND

*Contract rent is the amount paid to the landlord each month, and it may or may not include the costs of some utilities. To allow for more accurate comparisons, adjusted rent includes the cost of all utilities, including the ones the tenant pays separately.

Note: ND means the number is too small to disclose for confidentiality reasons.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2021 Rental Market Survey

New data track COVID's impacts

Census Bureau contacts households in 'pulse' surveys

By NEAL FRIED

Since the pandemic began, the U.S. Census Bureau has taken weekly 20-minute "pulse" surveys to find out how COVID-19 has affected households. More than 13,000 Alaskans are invited to participate each week.

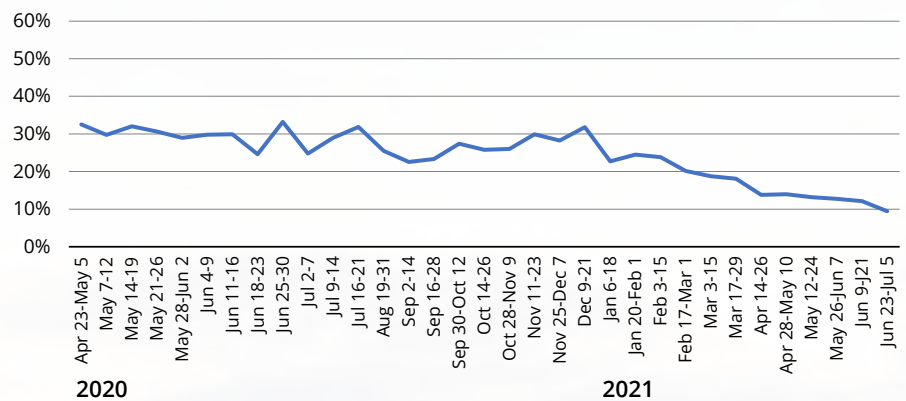
Among other questions about food scarcity, housing insecurity, and medical care delays, the survey asks whether anyone in the household expects to lose employment income in the next four weeks. Lost income doesn't necessarily mean a lost job; it can also come from reduced hours, furloughs, or temporary layoffs.

When the survey began in late April of 2020, a little over 30 percent of households expected to lose employment income in the coming weeks. That percentage didn't change much throughout 2020, although it did bounce around between the low 20s and the low 30s.

A downward trend developed in early 2021, and the percentage declined through at least the first six months of this year. The share of Alaska households expecting income loss fell to around 10 percent in early July.

The survey also asks whether households actually *did* lose employment income during the previous

Alaska households that expected to lose employment income in the next four weeks



Note: While most survey periods were five days, the intervals and gaps were not always consistent.

Source: U.S. Census Bureau Household Pulse Survey

four weeks, but those results aren't available in comparable form across the full period and they have obvious data quality issues. These survey data also have large margins of error.

The Census Bureau's Pulse Survey is a new experimental project, so no pre-pandemic data exist for comparison. This new way to document the social and economic effects of one of the most consequential and unusual events in Alaska's history will become increasingly useful, though, as it collects more data.

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COVID-19 and states' job recovery

Four western states had rebounded the most as of July

By DAN ROBINSON

In July, the widely accepted authority on dating U.S. recessions — the National Bureau of Economic Research's Business Cycle Dating Committee — announced the pandemic-induced recession that began in February 2020 had lasted just two months, making it the shortest U.S. recession on record.

That announcement surprised some observers, as the COVID-related disruptions and economic distress were far from over in April 2020. But identifying a trough in economic activity is different from saying an economy has recovered from the shock and things are back to normal. In other words, announcing a recession has ended merely marks the turning point.

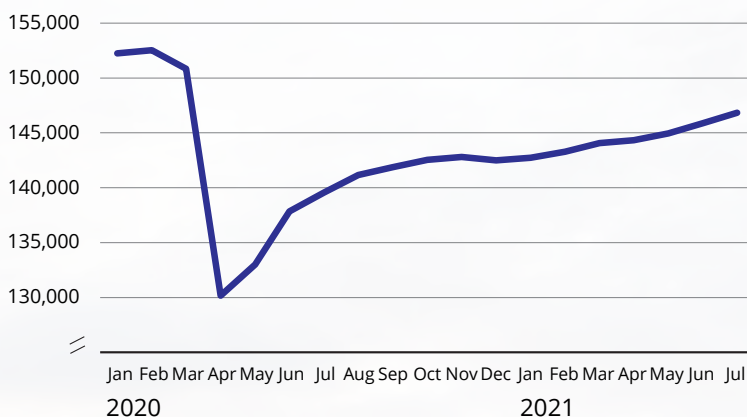
The U.S. has recovered about 75 percent of its lost jobs

In just two months, the U.S. economy lost more than 20 million jobs, or 15 percent of its pre-COVID total. The graph on this page shows the steep loss and the still-incomplete recovery over the 15 months that followed. (Note the graph is zoomed in to show the pattern's detail. The losses would appear less dramatic if the Y-axis began at zero.)

As of July 2021, the U.S. economy had recovered 75 percent of the 20 million lost jobs. The initial recovery was sharp, then momentum slowed over the winter and spring. Recent months have shown strong growth, but it's anybody's guess how much longer it will take to return to pre-pandemic employment levels.

That's partly because a pandemic-caused recession is so unusual. Even the term "recession" doesn't

National pandemic job loss and recovery



Source: U.S. Bureau of Labor Statistics

quite fit, as it suggests a familiar pattern of economic shock, downturn, and recovery over similar periods. These losses were far worse than a typical recession, but we also knew at the start that some declines would be temporary.

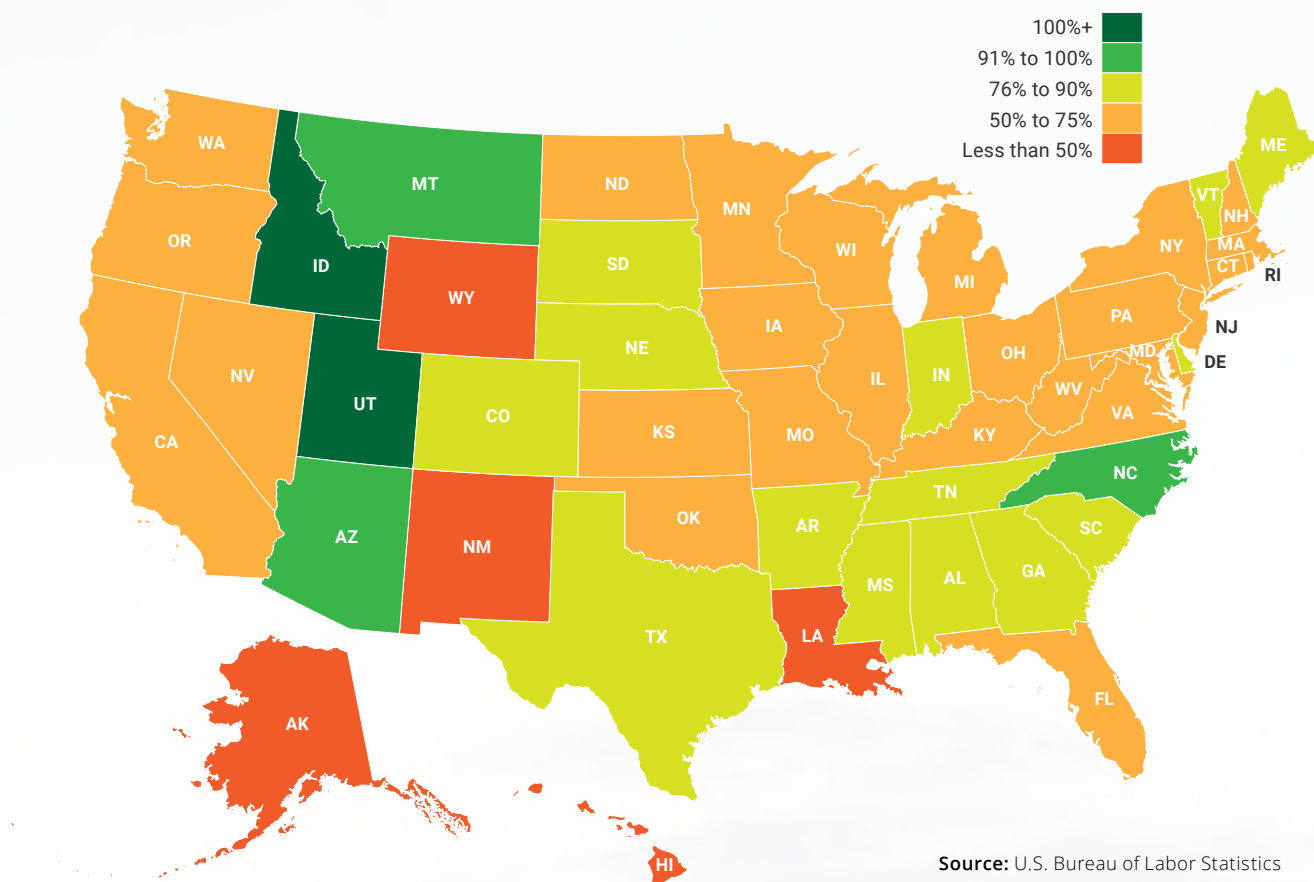
The pandemic also isn't over, and the Delta variant has injected additional uncertainty into the recovery. So has many workers' reluctance or inability to return to work under pre-COVID terms.

States that have recovered most

All 50 states suffered heavy job losses in early 2020, ranging from 9 percent for Utah, Nebraska, and Wyoming to 24 percent for Michigan and 23 percent for Nevada and Hawaii. As the map on the next page shows, the extent of a state's decline doesn't always reflect how much it recovered.

One thing the four states with the strongest recoveries have in common is slightly smaller initial losses. Compared to the U.S. job loss of 15 percent,

Percentages of COVID-related job loss that states had recovered as of July



Arizona’s losses were 11 percent, Idaho’s 10 percent, Montana’s 13 percent, and Utah’s 9 percent.

Two states, Idaho and Utah, have already recovered their pandemic losses and logged additional job growth. Idaho lost about 80,000 jobs in the early pandemic months but has since added 97,000, or 22 percent more than the number lost. Utah’s recovery has been even stronger. Since losing 140,000 jobs in early 2020, Utah has added 166,000, or 30 percent more than it lost.

Two other western states’ recoveries have been next-strongest at 94 percent: Arizona and Montana. (Just one eastern state, North Carolina, posted a relatively strong recovery, coming in fifth at 92 percent.)

States with lagging recoveries

At the other end of the spectrum, five states have so far recovered less than 50 percent of the jobs

they lost in early 2020. (For some caveats, see the sidebar on the use of seasonally adjusted data, on the next page.)

Those states — Alaska, Hawaii, Louisiana, New Mexico, and Wyoming — include four of the top 10 oil-producing states (Alaska, Louisiana, New Mexico, and Wyoming) and two with large and lucrative tourism sectors that require long-distance travel, which the pandemic hobbled (Alaska and Hawaii).

Hawaii’s strict measures to limit the virus’ entry caused bigger initial losses than in most states. Unlike Alaska, though, Hawaii’s tourism industry does not have a season and can ramp up or slow down at any time, which will be an asset going forward.

Alaska has salvaged a fraction of its 2021 summer cruise season and has seen strong independent visitor numbers this year, but anything approaching a normal season will have to wait until at least 2022.

The oil-producing states’ job losses were a little smaller than average — 14 percent for Alaska and

Louisiana, 12 percent for New Mexico, and 9 percent for Wyoming — but oil employment has been slow to bounce back, creating direct and indirect weakness for those states.

Trauma that might persist after the pandemic ends

Many suspensions or business slowdowns have ended or will reverse quickly when virus concerns subside. Other changes wrought or accelerated by the pandemic may endure.

As mentioned above, oil and gas activity and employment have stayed stubbornly low in Alaska and the U.S. overall. Job numbers increased marginally for both recently but remain far below pre-pandemic levels. How long they'll stay depressed is a high-impact question for Alaska especially.

A nationwide shortage of workers, especially for lower-wage jobs, is another development. Employers throughout the state and country report unprecedented difficulty filling open positions. Widespread anecdotes, and some data confirming them, show higher-wage workers have also become harder for employers to hire, retain, and replace.

Some of the contributing factors are COVID-related and will eventually fade, such as the lack of child care and the need or desire to homeschool, which have led many people, especially women, to leave their jobs or delay returning. Growing options to telework, and some workers' new resolve to only accept jobs that allow it, may endure beyond the short term, but to a lesser degree than during the pandemic.

In Alaska's case, our economy was weak before COVID-19 hit because of a recent oil-related state recession and lingering state government disagreements on how to adapt to dwindling oil and gas revenue, how to best use and preserve oil-related savings, and how to resolve the hot-button political issue of payouts from the unique Alaska Permanent Fund Dividend program.

As with almost everything COVID-related, it's unclear whether the pandemic will bump some of the existing Alaska trends in one direction or the other. To date, though, our recovery has been slower than that of most states, for a few clear reasons.

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About seasonal adjustment of the employment numbers

This article's job numbers for states and the U.S. as a whole are seasonally adjusted and produced by the U.S. Bureau of Labor Statistics in partnership with the states. Nationally and in most states, press releases and stories about whether economies are adding or losing jobs typically use seasonally adjusted numbers.

Data can be seasonally adjusted by various methods, but the concept is simply to adjust the actual job numbers for each month up or down to remove expected seasonal increases or decreases. Eliminating seasonality reveals underlying growth or decline and allows comparisons across states that have different seasonal patterns.

Alaska's job numbers are harder to seasonally adjust than other states', somewhat counterintuitively because our economy has bigger seasonal swings than any other state. One complication is commercial fishing and seafood processing peaks that vary by up to several weeks from year to year. (Spawning salmon don't adhere to the calendar as closely as the rest of us.)

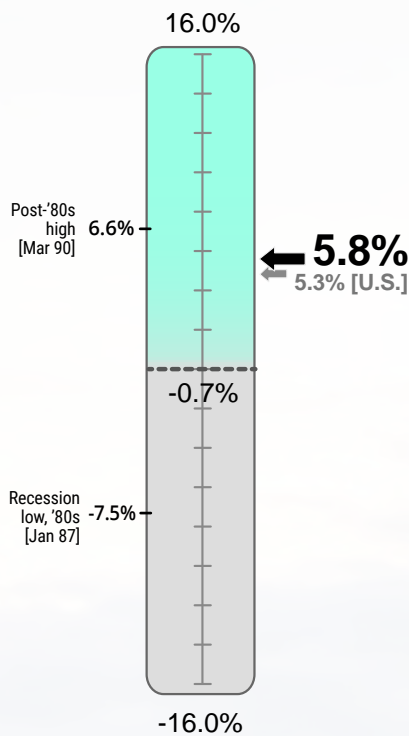
For that reason, and because Alaskans are unusually aware of seasonal swings, we typically use actual monthly job counts. This article justified an exception, however, so we could more meaningfully compare job numbers across states and different months.

Gauging The Economy



Job Growth

July 2021
Over-the-year percent change

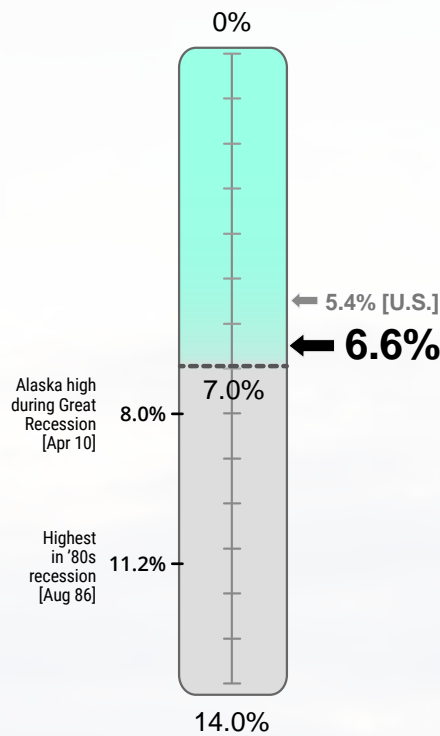


The spread of COVID-19 caused a rapid drop in employment beginning in April 2020. April 2021 marked the first comparison to a month in 2020 that had COVID-related job loss.

Although employment is up significantly from that low period, it was still 8.5 percent below the same month's job levels in 2019. U.S. employment levels were 2.8 percent below July 2019.

Unemployment Rate

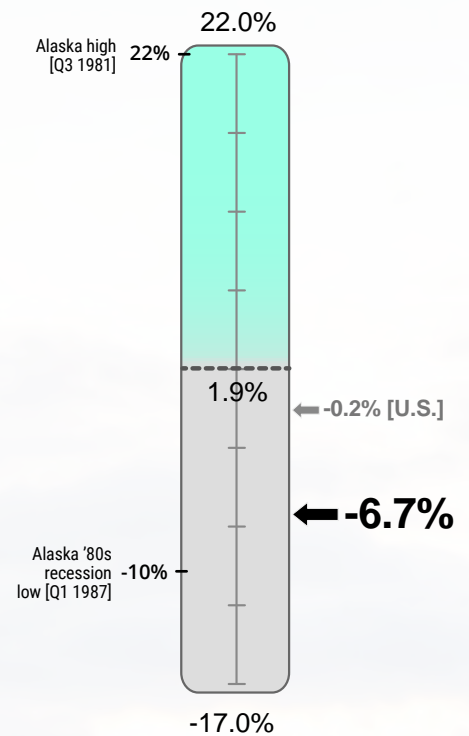
July 2021
Seasonally adjusted



Alaska's unemployment rate has been difficult to calculate during the pandemic and is less useful as an economic measure than it normally would be.

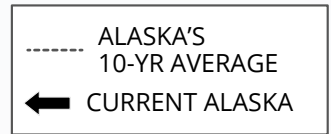
Wage Growth

1st Quarter 2021
Over-the-year percent change



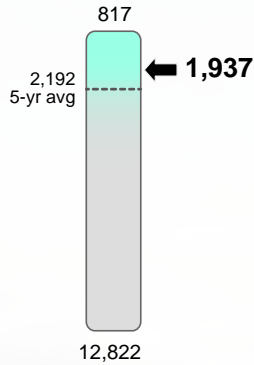
After being well down during the second and third quarters of 2020, total wages paid by Alaska employers climbed above year-ago levels in the fourth quarter, then fell again in the first quarter of this year.

Gauging The Economy



Initial Claims

Unemployment, week ending Aug. 14, 2021*

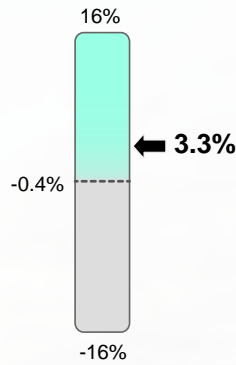


Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads are on the decline, and new claims for benefits are back down into the long-term average range.

*Four-week moving average ending with specified week

GDP Growth

1st Quarter 2021 Over-the-year percent change*

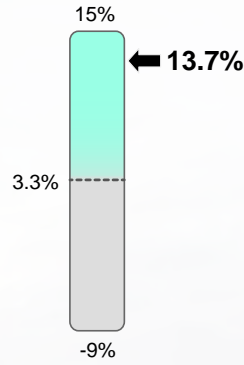


Gross domestic product is the value of the goods and services a state produces. Alaska's GDP dropped significantly when COVID-19 hit, but is slowly recovering.

*In current dollars

Personal Income Growth

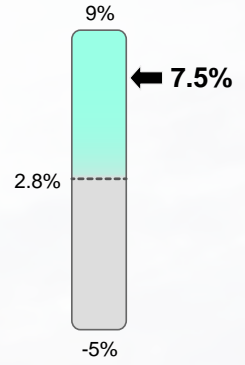
1st Quarter 2021 Over-the-year percent change



Personal income jumped well above year-ago levels, largely because of federal COVID-19 relief funding. Wages were relatively flat over the period.

Change in Home Prices

Single-family, percent change from prior year, Q2 2021*

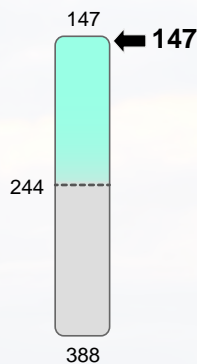


Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

*Four-quarter moving average ending with specified quarter

Foreclosures

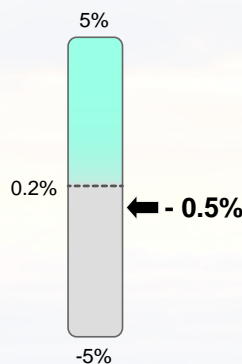
1st Quarter 2020



Because of the pandemic, there has been an indefinite moratorium on foreclosures since the second quarter of 2020.

Population Growth

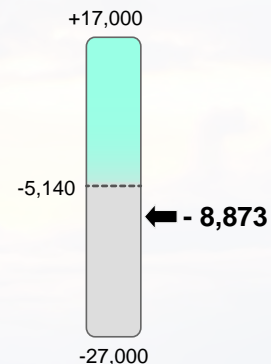
2019 to 2020



This was the fourth straight year of population decline.

Net Migration

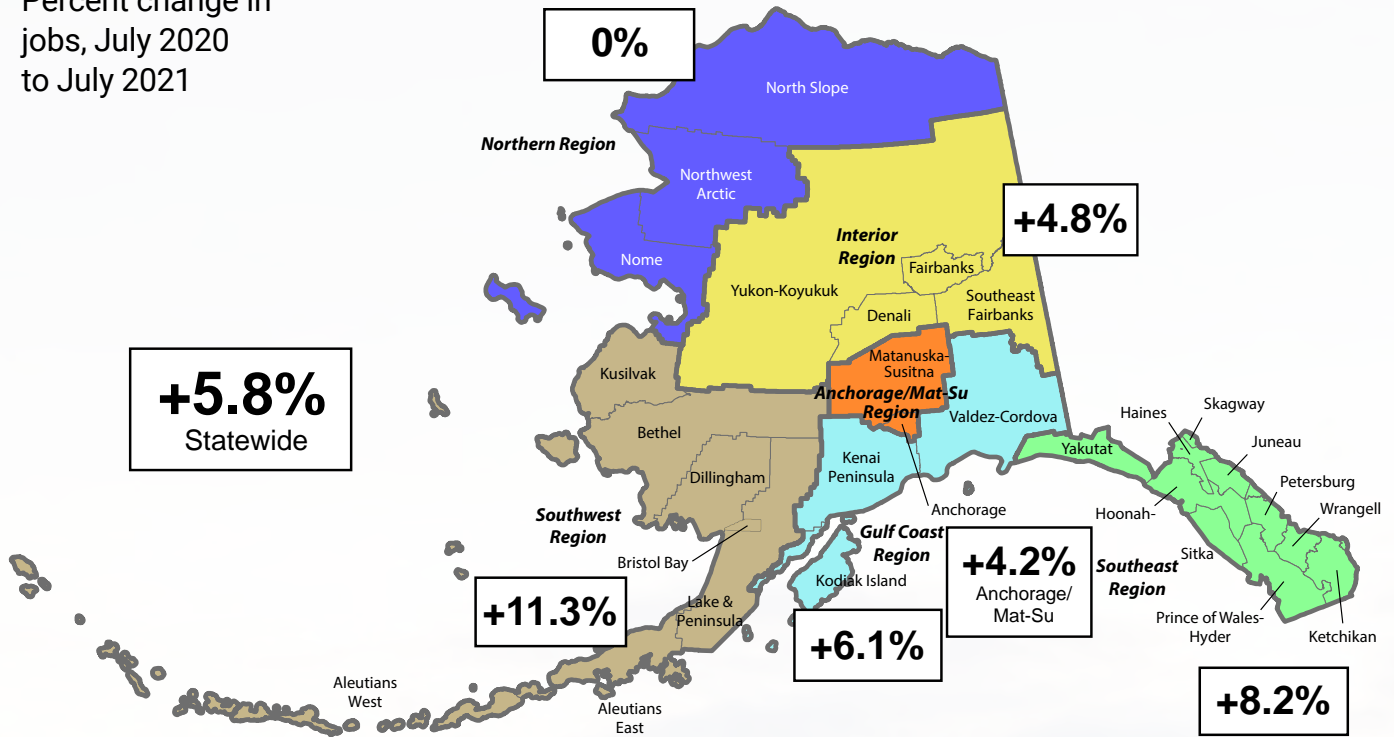
2019 to 2020



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, July 2020 to July 2021



Seasonally adjusted

	Prelim.	Revised	
	07/21	06/21	07/20
United States	5.4	5.9	10.2
Alaska	6.6	6.6	11.0

Not seasonally adjusted

	Prelim.	Revised	
	07/21	06/21	07/20
United States	5.7	6.1	10.5
Alaska	5.9	6.5	10.2

Regional, not seasonally adjusted

	Prelim.	Revised			Prelim.	Revised			Prelim.	Revised	
	07/21	06/21	07/20		07/21	06/21	07/20		07/21	06/21	07/20
Interior Region	5.0	5.5	9.0	Southwest Region	8.1	9.4	10.3	Southeast Region	5.4	6.2	11.0
Denali Borough	8.6	9.7	16.2	Aleutians East Borough	1.4	1.7	3.0	Haines Borough	8.1	9.8	17.3
Fairbanks N Star Borough	4.5	5.0	8.5	Aleutians West Census Area	2.4	3.1	3.7	Hoonah-Angoon Census Area	7.3	10.3	14.8
Southeast Fairbanks Census Area	6.4	7.0	8.0	Bethel Census Area	12.3	12.7	14.8	Juneau, City and Borough	4.3	5.0	10.0
Yukon-Koyukuk Census Area	11.6	12.3	16.1	Bristol Bay Borough	1.6	3.3	2.8	Ketchikan Gateway Borough	6.8	7.5	12.5
Northern Region	10.5	10.6	13.2	Dillingham Census Area	5.8	8.1	8.1	Petersburg Borough	5.8	6.5	8.3
Nome Census Area	11.5	11.7	14.5	Kusilvak Census Area	21.9	23.5	26.0	Prince of Wales-Hyder Census Area	7.5	7.8	11.4
North Slope Borough	6.7	6.9	8.1	Lake and Peninsula Borough	6.8	8.4	8.9	Sitka, City and Borough	3.8	4.6	8.6
Northwest Arctic Borough	13.0	12.7	16.5	Gulf Coast Region	5.9	6.6	10.0	Skagway, Municipality	11.0	11.9	26.1
Anchorage/Mat-Su Region	5.8	6.3	10.2	Kenai Peninsula Borough	6.5	7.0	11.3	Wrangell, City and Borough	6.1	6.4	10.4
Anchorage, Municipality	5.6	6.1	10.0	Kodiak Island Borough	4.5	5.4	6.5	Yakutat, City and Borough	6.5	7.4	9.0
Mat-Su Borough	6.4	7.0	10.8	Valdez-Cordova Census Area	5.0	6.0	7.8				

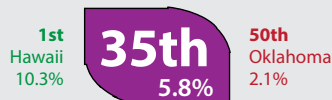
How Alaska Ranks

Unemployment Rate¹



*Tied with Ariz., La., and Penn.

Job Growth²



Job Growth, Private²



*Tied with New Hampshire and New York

Job Growth, Government²



*Tied with Delaware and Virginia

Job Growth, Leisure and Hospitality²



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

¹July seasonally adjusted unemployment rates

²July 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	\$74.24	July 2021	\$43.47	+70.78%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$3.81	July 2021	\$1.77	+115.25%
Gold, per oz. COMEX	\$1,806.30	8/23/2021	\$1,939.20	-6.85%
Silver, per oz. COMEX	\$23.70	8/23/2021	\$26.77	-11.47%
Copper, per lb. COMEX	\$4.22	8/23/2021	\$2.95	+43.05%
Zinc, per lb.	\$1.34	8/23/2021	\$1.13	+18.58%
Lead, per lb.	\$1.13	8/23/2021	\$0.89	+26.97%
Bankruptcies				
Business	65	Q2 2021	76	-14.47%
Personal	6	Q2 2021	5	+20.00%
Personal	59	Q2 2021	71	-16.90%
Unemployment insurance claims				
Initial filings	7,008	July 2021	30,173	-76.77%
Continued filings	29,333	July 2021	167,030	-82.44%
Claimant count	7,788	July 2021	40,968	-80.99%

*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

Nov. 10 veterans job fair will be in person this year

After more than a year of virtual events, the Alaska Department of Labor and Workforce Development will host its annual Veterans and Military Spouse Job Fair in person on Nov. 10 from 10 a.m. to 2 p.m. at the Midtown Mall, located at 600 Northern Lights Blvd in Anchorage.

Did you know... that an armistice, or temporary peace, was signed on the 11th hour of the 11th day of the 11th month of 1918 and the fighting during World War I came to an end? A year later, President Woodrow Wilson announced that Nov. 11 would be called Armistice Day, a day dedicated to world peace and held in honor of the veterans of World War I. In 1954, Congress changed the name to Veterans Day to honor all military veterans.

In honor of Alaska's veterans, the department hosts the Veterans and Military Spouse Job Fair each November, connecting veterans and their family members with a network of employers. This

is one of the largest hiring fairs in Alaska, and many Alaska employers use this event to find valuable military talent.

More than 69,000 veterans call Alaska home, and Alaska has the highest concentration of veterans per capita in the nation. Veterans are an asset to the workforce because of their adaptability, dependability, problem solving skills, leadership, follow-through, ability to work as part of a team, and strong sense of responsibility.

We encourage employers who want to participate, or learn more about the numerous reasons to hire veterans and military spouses, to contact the department's Business Connections at (907) 269-4777.

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