

# Anchorage jobs forecast for 2024

## The largest city is unlikely to reach its 2019 job level this year

By **KARINNE WIEBOLD**

**A**nchorage will add an estimated 2,300 jobs in 2024, and while some industries will reach full recovery after their pandemic lows, the city's total employment is unlikely to reach pre-pandemic levels this year.

Unlike Alaska, Anchorage didn't get its head back above water briefly in 2019 after the state-wide recession, so the city has been slower than the rest of the state to claw back its pre-pandemic employment levels.

Anchorage will continue on last year's path of general pandemic recovery, juiced in 2024 by infrastructure projects and supported by strong visitor numbers, a recovering statewide economy, and increased oil activity.

### Factors that will boost ongoing recovery in Anchorage in 2024

#### Oil, construction, and related services to grow; infrastructure funds start flowing

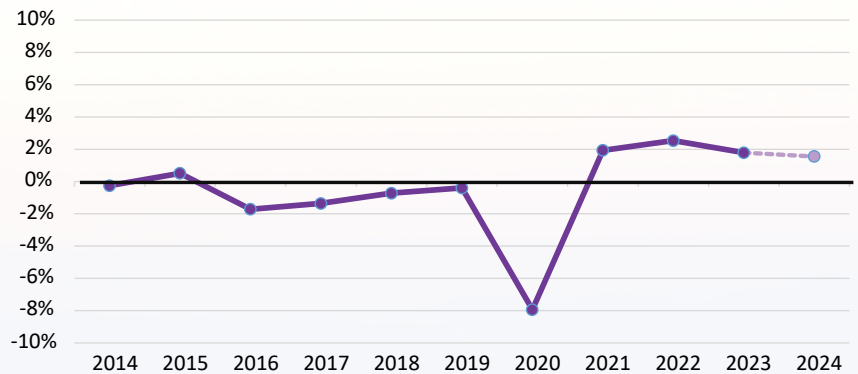
As the state's center for construction and professional and business services, Anchorage will benefit disproportionately from the multi-year infusion of federal infrastructure project funds. We expect an uptick in construction and professional and technical services specifically.

More oil activity will also boost Anchorage employment, both at headquarters and as a major supplier of oil field workers, who then return to Anchorage and spend their earnings in the local economy.

#### Anchorage airport now third-busiest in the world for cargo; passenger numbers up

Anchorage's transportation industry has been

### Forecasted job growth in 2024 will bring Anchorage close to recovery, but not quite there



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

strong. Airplane passenger numbers reached 95 percent of pre-pandemic levels in fiscal year 2023. Air cargo swelled during the pandemic as online shopping took more of the market share from physical stores, and buyers and sellers sought alternatives to high costs and long waits at backed-up ports across the world.

Air cargo volume dropped in 2023 but remains higher than 2019. Even with the drop, Anchorage's airport jumped up a notch globally, to the third-busiest international cargo airport in the world.

#### Tourism is a secondary boon for Anchorage

Tourism has been strong, with cruise ship visitors hitting a high of 1.65 million in 2023 and expected to reach that level again in 2024. Independent travelers have also made a strong showing post-pandemic.

While only a handful of cruise ships dock in Anchorage, a meaningful number of tourists make it to Anchorage, either as a destination or along the way to the Interior. Anchorage is a popular in-state destination for locals, too, for pleasure, work, or health care.

#### Military contributes additional project funds

Joint Base Elmendorf-Richardson is a major

# The outlook for Anchorage jobs, by industry

	Monthly avg, 2022 <sup>1</sup>	Monthly avg, 2023 <sup>1</sup>	Change, 2022-23	Percent change	JOBS FORECAST		
					Monthly avg, 2024	Change, 2023-24	Percent change
<b>Total Nonfarm Employment<sup>2</sup></b>	<b>145,500</b>	<b>148,100</b>	<b>2,600</b>	<b>1.8%</b>	<b>150,400</b>	<b>2,300</b>	<b>1.6%</b>
Total Private	118,600	121,000	2,400	2.0%	123,200	2,200	1.8%
Mining and Logging	1,800	1,800	0	0%	1,900	100	5.6%
Oil and Gas	1,500	1,500	0	0%	1,600	100	6.7%
Construction	7,200	7,400	200	2.8%	7,900	500	6.8%
Manufacturing	1,900	1,900	0	0%	2,000	100	5.3%
Trade, Transportation, and Utilities	33,300	33,700	400	1.2%	34,100	400	1.2%
Wholesale Trade	4,700	4,800	100	2.1%	4,800	0	0%
Retail Trade	15,700	15,700	0	0%	15,800	100	0.6%
Transportation, Warehousing, and Utilities	12,900	13,200	300	2.3%	13,500	300	2.3%
Information	2,900	2,900	0	0%	2,900	0	0%
Financial Activities	6,900	6,900	0	0%	6,900	0	0%
Professional and Business Services	17,400	17,500	100	0.6%	17,900	400	2.3%
Educational (private) and Health Services	25,800	26,500	700	2.7%	26,900	400	1.5%
Health Care	20,400	20,900	500	2.5%	21,200	300	1.4%
Leisure and Hospitality	16,200	17,000	800	4.9%	17,300	300	1.8%
Other Services	5,400	5,400	0	0%	5,400	0	0%
Total Government	26,900	27,100	200	0.7%	27,200	100	0.4%
Federal, except military	8,500	8,600	100	1.2%	8,600	0	0%
State, incl. University of Alaska	9,400	9,600	200	2.1%	9,700	100	1.0%
Local and tribal, incl. public schools	9,000	8,900	-100	-1.1%	8,900	0	0%

<sup>1</sup>Preliminary and adjusted estimates. <sup>2</sup>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

contributor to the Anchorage economy, and troop numbers have been stable.

The base also brings in additional construction dollars, such as an ongoing runway extension project that was awarded an additional \$107 million in late 2023 as part of the Defense Authorization Bill, which included a 5.2 percent pay raise — dollars that will be at least partially spent in Anchorage.

## What will continue to restrain Anchorage job growth this year

### Demographic changes complicate problems

A handful of things are working against growth in Anchorage this year. The city has been losing population — in stark contrast to the neighboring Matanuska-Susitna Borough — since hitting a high of 302,127 in 2013.

The population loss is a double-edged sword; the city has fewer workers to fill the large number of job openings, but fewer people also means less demand for local goods and services.

Like the rest of the state, Anchorage is aging, and some of the existing population is aging out of the workforce. They still need things from the Anchorage economy, but they are less likely to be available to work.

The unemployment rate is very low, and the prime working-age population is about 19,000 short of a decade ago, amid increased job openings. This combination has put pressure on wages and given workers more opportunities to change jobs if they want to.

By several metrics (population, jobs, school enrollment, housing construction) Anchorage has been in decline ([see the August 2023 issue](#)) in recent years. While 2024 will bring growth, the city's long-term trajectory is unclear. One of the key questions is quality of life: Do people want to live there, raise families, invest in housing and the community, and make it their home?

While a strong tourism year, increased oil field activity, and federal infrastructure and military projects will heat things up a bit in 2024, it will likely take more than that to turn around a long-lingering stagnation.

## Industry forecasts

### Construction, transport, and related growth

Construction, professional and business services, and transportation will all benefit from the infrastructure projects in 2024.

We forecast 500 jobs for construction, growth spurred by a combination of infrastructure and oil field activity.

Professional and business services, which includes architecture and engineering firms, will add an estimated 400 jobs to support these projects. Transportation and warehousing will add a combined 300 jobs.

### Growth for the oil industry, finally

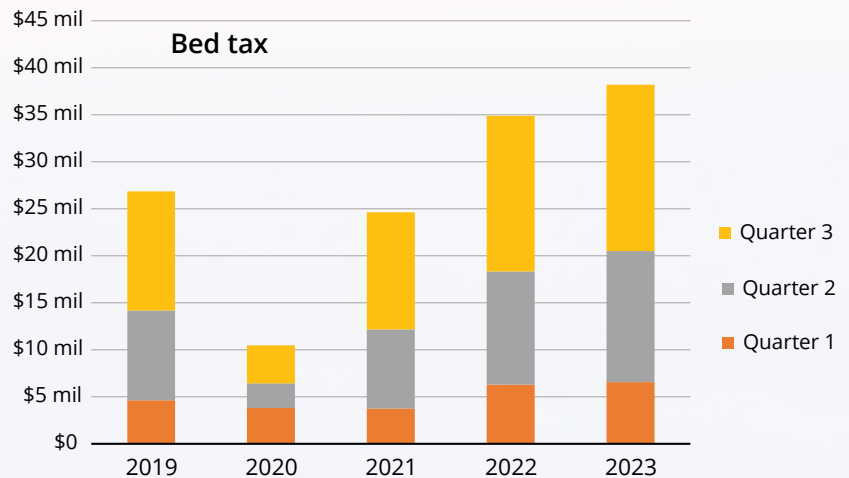
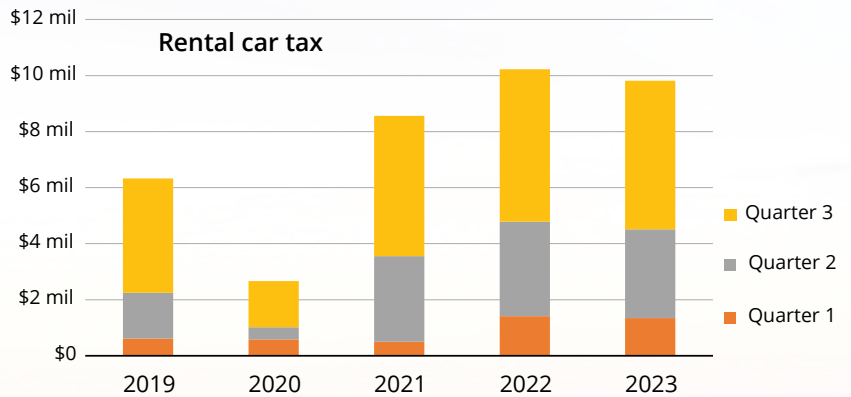
With more happening in the oil fields, we expect Anchorage to add 100 oil jobs in 2024. Anchorage is the in-state corporate headquarters for most oil and gas companies that do business in Alaska, so when the North Slope picks up, some growth in Anchorage becomes likely. That said, the oil company landscape has changed significantly from its heyday.

For example, when BP sold its Alaska interests to Hilcorp, which operates a much leaner workforce and has headquarters in Texas, in 2019, Anchorage lost oil and gas jobs that won't come back. Even with a small amount of growth, Anchorage's oil and gas industry is 40 percent smaller than in 2019 (-1,000 jobs).

### Health care's upward trajectory continues

Anchorage health care will keep growing. The industry lost 700 jobs in 2020 when most elective and preventative care was suspended amid COVID. The industry added back a couple hundred jobs in the first two years of recovery, but the biggest jump came in 2023, with 500 jobs.

## Anchorage rental car tax, bed tax revenues on the rise after COVID hit



Source: Municipality of Anchorage

We expect 2024 to follow that same long path, adding 300 jobs in a combination of hospitals and ambulatory care, a category that covers doctors' offices and other types of outpatient clinics.

Anchorage is the state hub for health care, providing specialties not available in smaller communities and health facilities such as the Alaska Native Medical Center, whose mission is to deliver care to more than just residents of the city.

Demand for health care has been strong, and the medical needs of our aging population will continue to escalate. Medicaid recertification issues, if they continue, could dampen health care growth, but even in that case, the constraint would be temporary.

### Demand for services will stay high

Leisure and hospitality will add 300 jobs, supported



## Anchorage Forecast

by local demand and another strong tourism season. Labor constraints will likely temper that growth, however. We expect leisure and hospitality to finish 2024 about 2 percent below pre-pandemic levels.

We forecast slight growth in government in 2024. State government employment in Anchorage peaked at 10,800 in 2014 and has dropped by 1,200 since, between the state recession, pandemic, and revenue woes. We expect the state to add 100 jobs in 2024 as some state functions frayed in 2023 and multiple agencies are seeking additional staff.

Local government has lost jobs most years over the decade, and there is not much to reverse that trend. In general, public education was the reason for the losses.

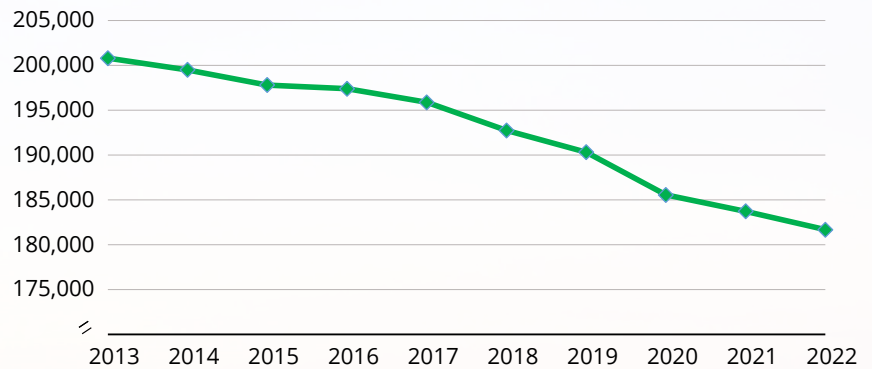
In 2020, local government lost 800 jobs, nearly all from public education. Since then, schools have recovered just a small number of those jobs. In the last couple of years, general local government has also declined by a couple hundred jobs.

While we forecast flat local government employment in 2024, there's no clear turnaround in sight. School enrollment took a blow in 2020 and recovery has been incremental.

During the 2022-2023 school year, the last available, the district remained nearly 1,900 students short of the year before COVID — and that year, the decline had already begun. For example, in 2012-2013, the district had 48,425 students. A decade later, enrollment was 5,100 fewer.

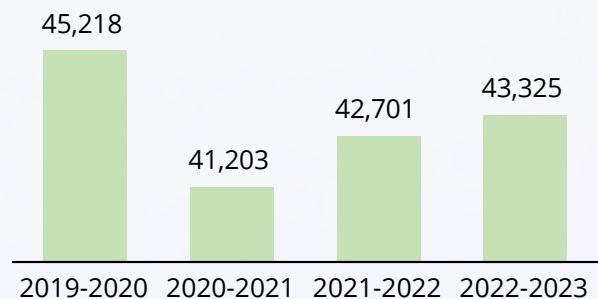
Karinne Wiebold is an economist in Juneau. Reach her at (907) 465-6039 or [karinne.wiebold@alaska.gov](mailto:karinne.wiebold@alaska.gov).

## Decline in Anchorage working-age population



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

## Anchorage's public school enrollment still below 2019



Source: Alaska Department of Education and Early Development