

How hourly wages compare

Alaska is still in the top 10, but our advantage is shrinking

By NEAL FRIED

Alaska's wages have long been paid at a premium. Historically, like gold, our high wages were legendary — at several points in Alaska's history, they were a huge draw to the state.

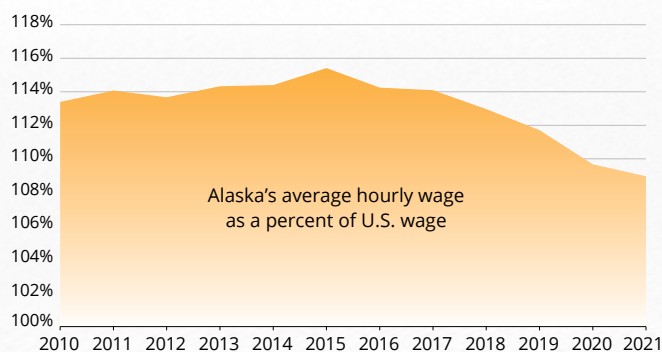
Since the economic bust of the mid-to-late 1980s, Alaska's wage advantage has narrowed. While Alaska wages still rank high among states, they aren't the lure they once were, something that's evident by the past decade's downturn in migration.

Where Alaska's wages rank

In 2021, Alaska's average wage was \$30.52 per hour. Pay for the 500-plus surveyed occupations ranged from a low of \$12.09 for ushers, lobby attendants, and ticket takers to a high of \$161.97 for surgeons. The median wage for the same period was \$23.47 — the median is the middle value, which unlike the average is not skewed by the highs and lows. The minimum wage last year was \$10.34.

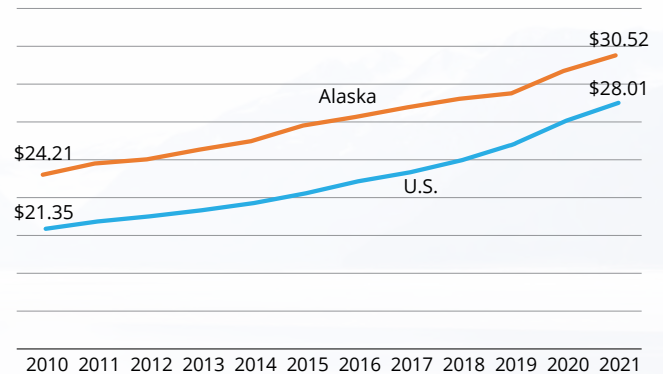
Alaska has remained in the top 10 for many decades, sometimes taking first place, but not in recent years. We ranked eighth nationally last year for average wages, and Alaska was one of nine states

Alaska, U.S. wage gap is shrinking



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

Average hourly wages, 2010-2021



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that topped \$30 an hour. The national average was \$28.01, or less than 10 percent below Alaska.

Why Alaska's wages are high

Alaska's wages have historically been higher for many reasons, including the higher cost of living, geography, climate, tough working conditions, and periods of strong economic growth.

While the cost of living and remoteness are factors for Alaska, they don't always mean higher wages. Hawaii is also remote with a high cost of living, and its average wage is ranked 14th. Still, overall, most states with high average wages do have above-average costs of living.

The gap with the U.S. is shrinking

Alaska's average wage lost ground relative to the U.S. in recent years. As mentioned earlier, Alaska's wage in 2021 was about 109 percent of the nation's. That gap was the smallest in more than a decade.

The narrowing isn't surprising given the economic

contrasts over that period. Between 2016 and 2019, the nation's economy prospered as Alaska weathered a state-wide recession and a brief, weak recovery before COVID-19. The pandemic-led recession that followed hit everyone, but Alaska's recovery has lagged behind the nation's.

The big question is how much upward pressure the current, persistent labor shortage will put on average wages everywhere. The hourly wage increases in 2020 and 2021 were the largest in a decade for Alaska as well as the U.S.

Decade gains smaller when inflation-adjusted

Adjusting for inflation adds further context to Alaska's decade gains. In 2010, our average was \$24.21 an hour, but topping \$30 by 2021 isn't as big of a jump as it appears. Adjusting to 2021 dollars shows the real gain was from \$29.43 to \$30.52. The national increase was slightly higher, with inflation-adjusted wages rising from \$26.53 to \$28.01 an hour.

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The average hourly wage by state in 2021

State	Average		
1 Massachusetts	\$35.07	24 North Dakota	\$25.67
2 New York	\$33.87	25 Utah	\$25.67
3 Washington	\$33.05	26 Maine	\$25.59
4 California	\$32.94	27 Ohio	\$25.56
5 New Jersey	\$32.27	28 Wisconsin	\$25.54
6 Connecticut	\$31.79	29 North Carolina	\$25.53
7 Maryland	\$31.68	30 Nebraska	\$25.05
8 Alaska	\$30.52	31 Wyoming	\$25.05
9 Colorado	\$30.24	32 Florida	\$24.98
10 Virginia	\$29.97	33 New Mexico	\$24.93
11 Rhode Island	\$29.87	34 Missouri	\$24.71
12 Minnesota	\$29.08	35 Iowa	\$24.59
13 Delaware	\$28.76	36 Nevada	\$24.56
14 Hawaii	\$28.73	37 Indiana	\$24.25
15 Illinois	\$28.68	38 Kansas	\$23.88
16 New Hampshire	\$28.50	39 Montana	\$23.72
17 Oregon	\$28.40	40 Tennessee	\$23.72
U.S. average	\$28.01	41 Oklahoma	\$23.25
18 Pennsylvania	\$26.68	42 Kentucky	\$23.16
19 Vermont	\$26.66	43 Alabama	\$23.13
20 Arizona	\$26.53	44 Idaho	\$23.05
21 Michigan	\$26.52	45 Louisiana	\$22.95
22 Texas	\$26.07	46 South Carolina	\$22.83
23 Georgia	\$25.93	47 South Dakota	\$22.50
		48 Arkansas	\$22.36
		49 West Virginia	\$22.35
		50 Mississippi	\$20.53

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

EATING AND DRINKING

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— it was the industry's fastest-growing category between 2010 and 2019.

Limited-service restaurants, which are mostly fast food places, have also performed better than average and approached full recovery by the first half of 2022. Fast food restaurants quickly adapted to pandemic limitations, as they were better set up for takeout and, in some cases, delivery.

Full-service restaurants are the most labor-intensive, so they continue to grapple with the nationwide worker shortage. Some consumers remain reluctant

to return to dine-in restaurants, too, and others have shifted their tastes over the last few years.

Alaska has fewer full-service restaurants than before COVID, and their annual employment remains well below 2019 levels. Annual jobs fell from 9,300 to 6,700 in 2020, then ticked back up to 7,800 in 2021.

Bars are also lagging, and their employment had been on a long decline even before COVID. Consumers are still going out for drinks but are increasingly patronizing breweries, distilleries, tasting rooms, and places that serve food as well as alcohol. ([For more on the rise of breweries in Alaska, see the June 2021 issue.](#))

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