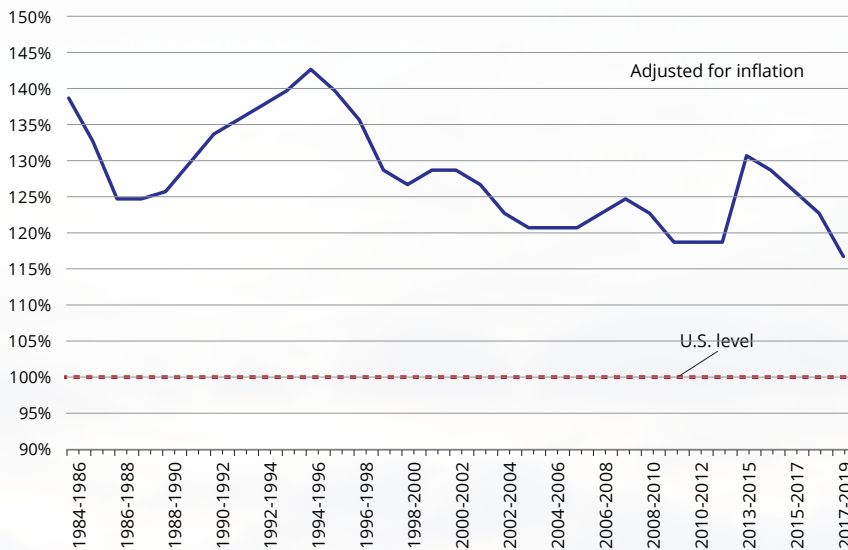


Trends in household income

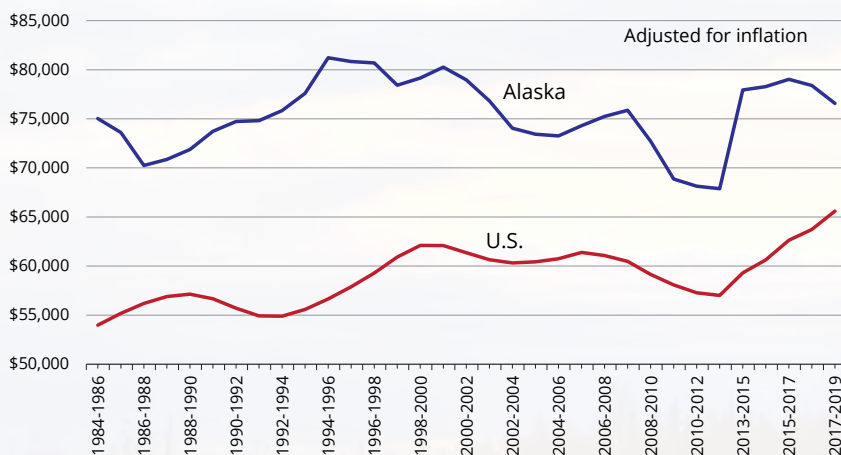
Alaska remains above the U.S., but the gap has narrowed

Household income as percent of U.S. has dropped



Source: U.S. Census Bureau, Current Population Survey

... but Alaska household income is still above U.S.



Source: U.S. Census Bureau, Current Population Survey

By NEAL FRIED

Alaska's household income hasn't changed much from the mid-1980s, when adjusted for inflation. It was \$75,032 for the 1984-1986 period and 35 years later, for 2017-2019, it was \$76,570.

Household income bounced around over those decades, however, from a low of \$67,878 in 2011-2013 to a peak of \$81,229 for 1994-1996. It showed no clear pattern, either, although one apparent small factor was the size of Permanent Fund Dividends.

In general, median household income began to grow in the late 1980s, peaked in the mid-to-late 1990s, then began to fall in the early 2000s until bottoming out in 2012-2013. Since recovering that following year, it's held fairly steady.

Alaska, U.S. patterns didn't always track

The national trend has been clearer. U.S. median household income grew through the early 2000s, plateaued until the late 2000s, then took a dive when the national recession hit. That recession ended in 2009, and it took several years for income to recover. But by 2016-2018,

Alaska's household income ranks 12th

State	Median	
1	Maryland	\$86,738
2	Massachusetts	\$85,843
3	New Jersey	\$85,751
4	Hawaii	\$83,102
5	California	\$80,440
6	Connecticut	\$78,833
7	Washington	\$78,687
8	New Hampshire	\$77,933
9	Colorado	\$77,127
10	Virginia	\$76,456
11	Utah	\$75,780
12	Alaska	\$75,463
13	Minnesota	\$74,593
14	New York	\$72,108
15	Rhode Island	\$71,169
16	Delaware	\$70,176
17	Illinois	\$69,187
18	Oregon	\$67,058
	U.S.	\$65,712
19	Wyoming	\$65,003
20	North Dakota	\$64,577
21	Wisconsin	\$64,168
22	Texas	\$64,034
23	Pennsylvania	\$63,463
24	Nevada	\$63,276
25	Nebraska	\$63,229
26	Vermont	\$63,001
27	Kansas	\$62,087
28	Arizona	\$62,055
29	Georgia	\$61,980
30	Iowa	\$61,691
31	Idaho	\$60,999
32	Michigan	\$59,584
33	South Dakota	\$59,533
34	Florida	\$59,227
35	Maine	\$58,924
36	Ohio	\$58,642
37	Indiana	\$57,603
38	Missouri	\$57,409
39	North Carolina	\$57,341
40	Montana	\$57,153
41	South Carolina	\$56,227
42	Tennessee	\$56,071
43	Oklahoma	\$54,449
44	Kentucky	\$52,295
45	New Mexico	\$51,945
46	Alabama	\$51,734
47	Louisiana	\$51,073
48	Arkansas	\$48,952
49	West Virginia	\$48,850
50	Mississippi	\$45,792

Source: U.S. Census Bureau, One-Year American Community Survey, 2019

national household income had hit new heights.

Alaska's household income has long been and remains above the nation's, but the gap has been shrinking since about the mid-1990s, especially with Alaska's poor economic performance in recent years.

Alaska's advantage spiked in 1994-1996 at about 143 percent of the national figure, then hit a historical low of 117 percent in 2017-2019. As the U.S. level rose throughout the mid-to-late-2010s, Alaska was mired in a three-year state recession. Then, in 2019, Alaska recorded just one year of weak recovery.

Our income ranking has fallen, but Alaska's income *equality* ranking remains high

For that most recent three-year span, 2017-2019, Alaska's household income ranked 10th or 12th among states, depending on the data series. (The Census Bureau's Current Population Survey ranked us 10th, and its American Community Survey ranked us 12th.)

In nine of the 15 years before the 1999-2001 period, Alaska ranked first. That trend held for other income measures, too, including per capita income and annual wages.

About household income data

Household income includes almost everyone and covers nearly everything. It comprises work earnings; investment income such as dividends, interest, and rents; all private and public retirement income, including Social Security; public assistance, such as welfare; and all types of transfer payments, including unemployment checks. In Alaska's case, it also includes Permanent Fund Dividends, with one significant omission — the income of household members under 15 is excluded.

A household includes everyone who occupies a housing unit, whether they're related or not. Alaska has 253,346 households with an average of 2.8 occupants each.

Because it's so comprehensive, median household income is considered one of the better measures of economic well-being. By measuring the midpoint instead of the average, the median is a better choice for gauging income because the extremes on both sides of the spectrum have less influence.

This article uses two sources for median household income data, both from the U.S. Census Bureau. The Current Population Survey is a three-year series, adjusted for inflation, that begins in 1984 and provides the longer-term trends. The American Community Survey provides the remainder of this article's data.

Although we've lost some ground nationally, Alaska's household income ranked fifth for income *equality* in 2019, after Utah, Idaho, Wyoming, and South Dakota.

The measure of income distribution is called the Gini coefficient. It ranges from 0 to 1, with 0 being perfect equality (everyone's income is the same) and 1 as perfect inequality (one person gets all the income). Alaska's Gini coefficient was 0.438, and the national average was 0.48.

Likely reasons include the fact that Alaska is a young state and isn't home to a significant number of extremely wealthy people. Permanent Fund Dividends also play a role.

Alaska's median household income varies widely by area

Still, Alaska's income disparity between areas is notable and often split along rural and urban lines. While there are exceptions, income in Alaska's rural areas typically falls below state and national averages because of fewer economic opportunities, lower education levels, and higher unemployment.

Juneau's median household income was Alaska's highest in recent years, at \$88,390.

At \$87,466, the rural Aleutians West Census Area was a close second, and Kusilvak Census Area was lowest at \$36,754. These two areas represent the income extremes, and being rural is where their similarity ends.

Aleutians West has a population of 5,544, with 82 percent living in Unalaska, the home port for one of the world's most lucrative fisheries. The rest of the population mostly live in St. George, St. Paul, Adak, Atka, a handful of other small communities, and one small military installation on Shemya Island (Eareckson Air Station).

Kusilvak has 13 dispersed, isolated communities with a total population of 8,088. Just one has more than 1,000 people, and the area's lack of jobs is endemic. Demographics also play a big role. Kusilvak is the youngest area of the state, with a median age of 24 in 2020. (In Aleutians West, it was 41.) That means it has fewer working-age people who are earning wages and boosting household income.

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Median household income by Alaska area in 2015-19

Area	Median household income
Alaska	\$77,640
Aleutians East Borough	\$69,250
Aleutians West Census Area	\$87,466
Anchorage Municipality	\$84,928
Bethel Census Area	\$53,553
Bristol Bay Borough	\$79,808
Denali Borough	\$81,719
Dillingham Census Area	\$56,898
Fairbanks North Star Borough	\$76,992
Haines Borough	\$58,059
Hoonah-Angoon Census	\$59,803
Juneau City and Borough	\$88,390
Kenai Peninsula Borough	\$66,064
Ketchikan Gateway Borough	\$72,728
Kodiak Island Borough	\$85,839
Kusilvak Census Area	\$36,754
Lake and Peninsula Borough	\$44,135
Matanuska-Susitna Borough	\$75,493
Nome Census Area	\$61,048
North Slope Borough	\$79,306
Northwest Arctic Borough	\$60,906
Petersburg Borough	\$69,948
Prince of Wales-Hyder Census Area	\$52,379
Sitka City and Borough	\$73,682
Skagway Municipality	\$73,906
Southeast Fairbanks Census Area	\$70,056
Valdez-Cordova Census Area	\$79,867
Wrangell City and Borough	\$53,894
Yakutat City and Borough	\$71,607
Yukon-Koyukuk Census Area	\$41,413

Source: U.S. Census Bureau, Five-Year American Community Survey, 2015 to 2019