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Has 2020 brought your business challenges that have forced you to rethink how your workforce does its job?

Let us help you towards developing policies and practices for managing your workforce and workplace during COVID and beyond. Our goal is to help you meet these challenges head on and thrive in the process.

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TIM MOORE,
CEO OF DIAMOND STUDIOS

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DIAMOND VIEW
2020
3-YEAR OUTLOOK
Bill Popp, President and CEO
TODAY'S PRESENTATION

• What has COVID-19 done to the Anchorage economy and what does the future hold?
• A snapshot look at Anchorage’s jobs market through employment and Real-Time Jobs Intelligence data.
• The latest Anchorage Consumer Optimism Index (ANCi) survey results.
• The AEDC 3-Year Outlook!
2020 MID-YEAR JOBS UPDATE

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2019 JOBS:

YEAR 5 OF THE RECESSION

-400 Jobs; -0.3%

5.1% Avg. Unemployment

All data sourced from the State of Alaska Department of Labor.
2020 JOBS through June

2020 jobs data are based on preliminary estimates to be firmed up later this year.
• June 2020 compared to June 2019: down 16,200 jobs

• Unemployment data trends indicate job losses will remain at significant levels through 2020

• January to June data is preliminary with actual counts released by end of 2020

Municipality of Anchorage Total Employment
Goods Producing and Service Providing Jobs

Source: Alaska Department of Labor, Civilian Employment Statistics (CES) Monthly Survey
• June total unemployment: 17,800

• Current trends suggest 2020 will average 9.5% to 11.0% average unemployment for the year

Source: Alaska Department of Labor, Civilian Employment Statistics (CES) Monthly Survey
2020 EMPLOYMENT NUMBERS

- 3,200 Leisure and Hospitality
- 1,000 Retail trade
- 900 Goods producing (includes construction, oil & gas, manufacturing)
- 800 Health Care

All industries – except federal govt. - experienced loss to some extent.
Labor Force Trends

- Anchorage labor force has shrunk by 9,000 workers since 2014
- Mid-2020 data shows trend continuing: Labor force down by average 2,400 YTD
- Rate of labor force decline steeper than population losses

*Data represents the Anchorage MSA which includes Mat-Su Borough.*
Total Q2 Online Job Postings

14,265 Job titles posted, down 13.4%
3,061 Employers posting jobs, down 5%
6,200 Different occupations represented
283 Different certifications sought

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*Data represents the Anchorage MSA which includes Mat-Su Borough.
Top 10 Openings by Occupation

1. Retail salespersons
2. Registered nurses
3. Stockers and Order Fillers
4. First-Line Supervisors of Retail Sales Assistants
5. Customer Service Representatives
6. Fast Food and Counter Workers
7. First-Line Supervisors of Food Preparation and Serving Workers
8. Sales Representatives of Services (exc. Advertising, Insurance, Financial Services, and Travel)
9. Heavy and Tractor-Trailer Truck Drivers
10. Software Developers

*Data represents the Anchorage MSA which includes Mat-Su Borough.

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Top 10 Employers in Anchorage

# 1 Providence Health and Services
# 2 The University of Alaska
# 3 Alaska Native Tribal Health Consortium
# 4 Workplace Alaska
# 5 Anchorage School District
# 6 Department of the Air Force
# 7 Municipality of Anchorage
# 8 Lowe’s
# 9 GPAC
# 10 Carrs

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*Data represents the Anchorage MSA which includes Mat-Su Borough.
2020 Trends

Total job postings will likely remain well below 2019 levels
Number of employers posting jobs will also trend down
Less demand for White Collar, Restaurant and Bar workers
Demand for Grocery and Fast Food workforce higher than normal
Registered Nurse positions continue to see high demand
“Problem Solving” a new addition to Top 10 Soft Skills wanted

Data represents the Anchorage MSA which includes Mat-Su Borough.

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2020 2nd Quarter Anchorage Consumer Optimism Index

Compiled By:

Alaska Survey Research
Northern Economics
Anchorage Consumer Optimism Index

2020 Q2 49.3
Anchorage Consumer Optimism Index

Local Economic Confidence: 47.0
Personal Financial Confidence: 63.4
Future Expectations: 43.4
2020
3-YEAR OUTLOOK
Anchorage Population 2008-2023

- Peaked in 2013 at 301,034
- Anchorage population loss by 2023 will approach 15,000

• Job losses during 2014-2019 recession total 5,775

• AEDC projects job losses in 2020 at 11,100

Anchorage Personal Income 2008-2023 ($ billions)

- Personal income has risen by $4.5 billion since 2008
- Personal income will decline by $1.1 billion in 2020

ANC Air Passenger Volume 2008-2023 (millions)

- Passenger volume reached an all-time record in 2019 thanks to strong tourism industry.
- Following a projected 60% decline in passenger volume in 2020 it will be a long climb back.

![ANC Air Passenger Volume Chart](chart.png)

ANC Air Freight Volume 2008-2023 (million short tons)

- 1 out of 10 jobs in Anchorage are generated by the Airport
- National recession will likely bring down cargo volumes modestly over next 2 years

ANC Air Cargo Volume (Million Tons), 2008-2023

Port of Alaska Volume
2008-2023 (million tons)

- Port of Alaska is main port of entry for majority of consumer goods, fuels and building materials vital to Alaska economy.
- Volumes projected are subject to change caused by COVID-19 impacts to the Alaska and U.S. economy.

Average Single-Family Home Sales Price 2008-2020

- Historic low interest rates, pent up demand, and low inventory of homes for sale driving up prices
- Increases in proposed new home construction, coupled with COVID-19 impacts on economy, may flatten prices in coming years

Source: Alaska Department of Revenue (2008-2023).

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• Historic low prices and declining ANS production combined to make 2020 the lowest annual total oil gross value in decades

• Outlook is for some improvement, but still historically low levels for Total Gross Value

• Lowest statewide employment since 2005: 8,600 in June

• Oil industry still a key job generator for Alaska, but will no longer be the primary source of state government funding in the coming years

Oil & gas is critical to Alaska’s economy

- 77,600 Alaska jobs and $4.7 billion in Alaska wages in 2018
- $4.4 billion spent annually with 1,000 local Alaska businesses
- $3.1 billion to state and local governments in 2018

Source: “The Role of the Oil and Gas Industry in Alaska’s Economy,” McDowell Group, January 2020
Proposition 1 risks new projects and existing jobs by:

- Raising production taxes between 150% and 300% in a single year*
- Targeting and isolating three large North Slope fields
- Introducing uncertainty for producers

*Depending on the price of oil. Source: Roger Marks, Independent Economist
That’s why we oppose Prop. 1.

“The ballot box is the wrong place to enact complicated tax policy, especially policy that would damage our economy, both in Anchorage and statewide.”
IN SUMMARY

Anchorage was still in recession at the end of 2019, was continuing to lose population and workforce to the lower-48 but had the potential to return to growth in 2020.

COVID-19 has blown up our economy and cost Anchorage an additional 11,000 lost jobs in 2020. Most, but not all these job losses should be recovered by 2023.

Bright spots in the current economy include air cargo and the housing market, as well as continued demand for skilled healthcare workforce.

We must be careful and measured in how we move forward in recovery efforts and avoid unnecessary risks like massive new taxes on oil and gas.
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