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Alaska Native Business & Resource Directory
Alaska Railroad Corporation
Aleut Corporation
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Bering Straits Native Corporation
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American Marine Corporation
American Red Cross of Alaska
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Anchorage Concert Association
Anchorage Convention Centers-SMG
Anchorage Fracture & Orthopedic Clinic, PC

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Anchorage Museum at Rasmuson Center
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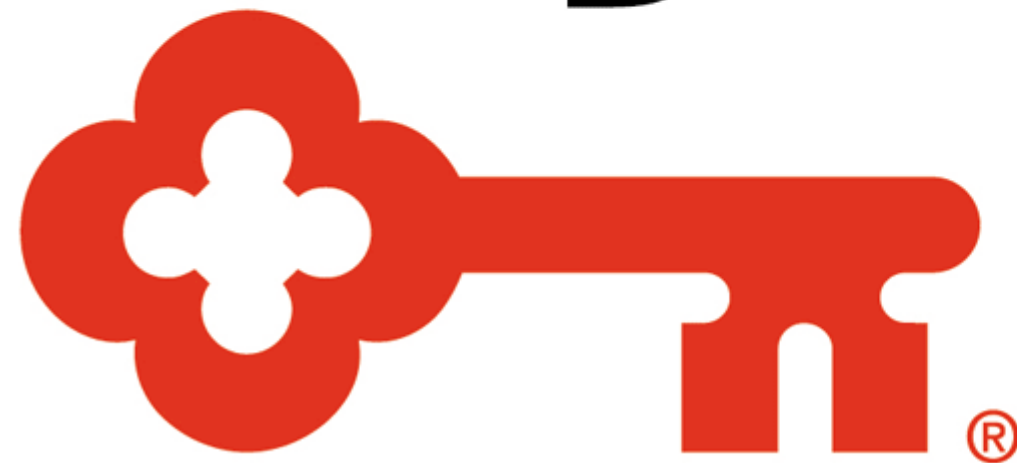
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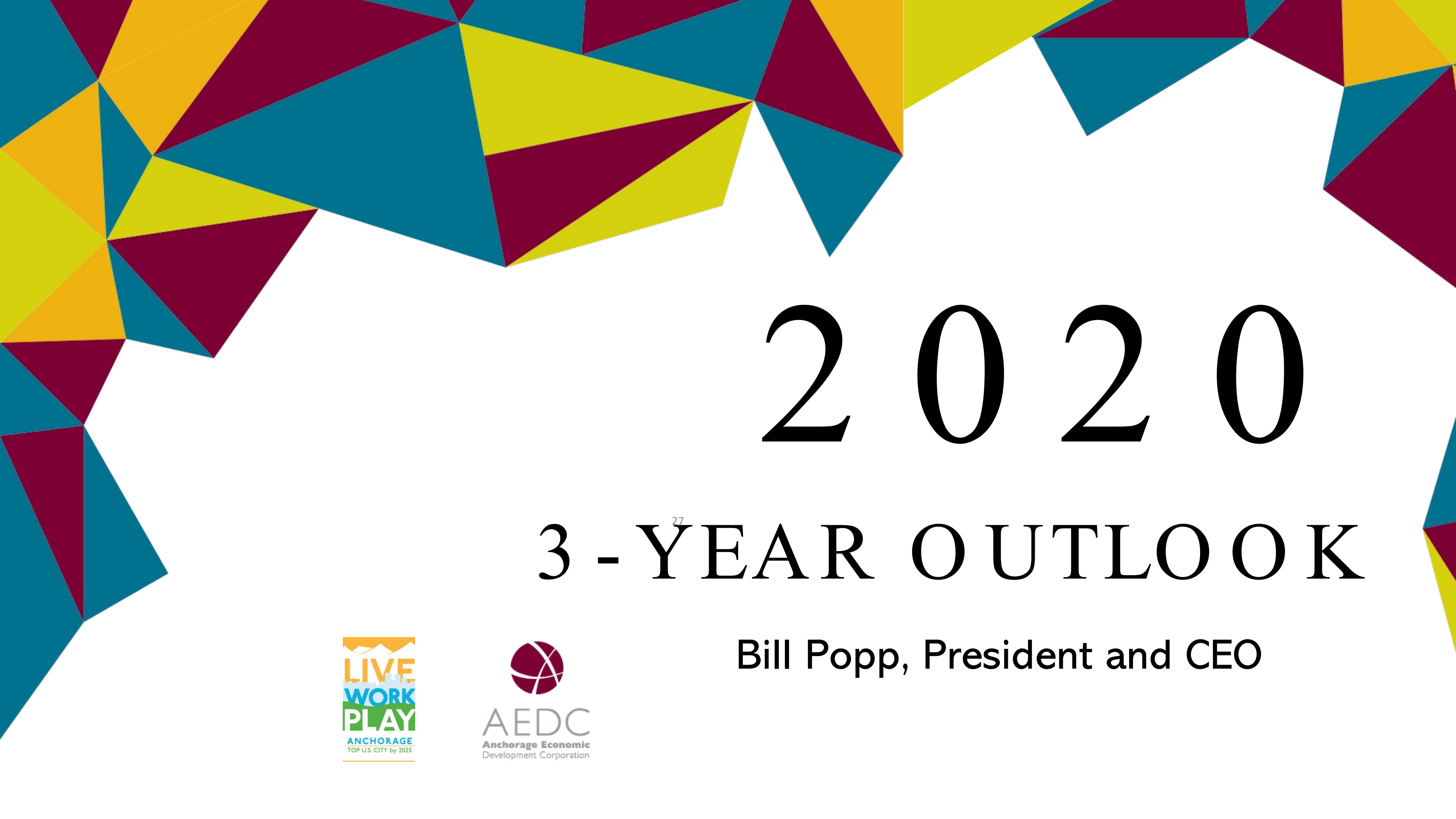
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2020

3 - YEAR²⁷ 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

-9,300 Jobs; -6.2%

8.8%³¹ Avg. Unemployment



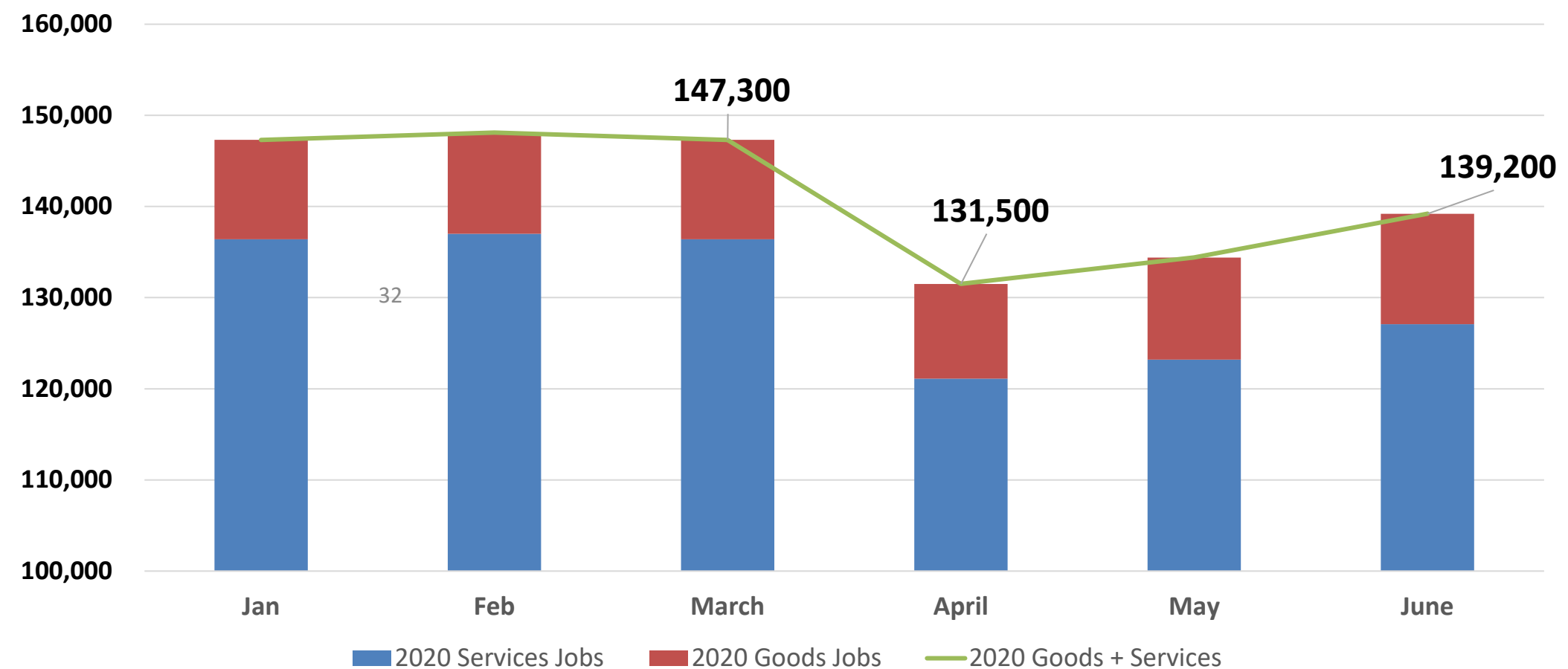
All data sourced from the State of Alaska Department of Labor (June 2020).
2020 jobs data are based on preliminary estimates to be firmed up later this year.

YTD Monthly Jobs Totals

- 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

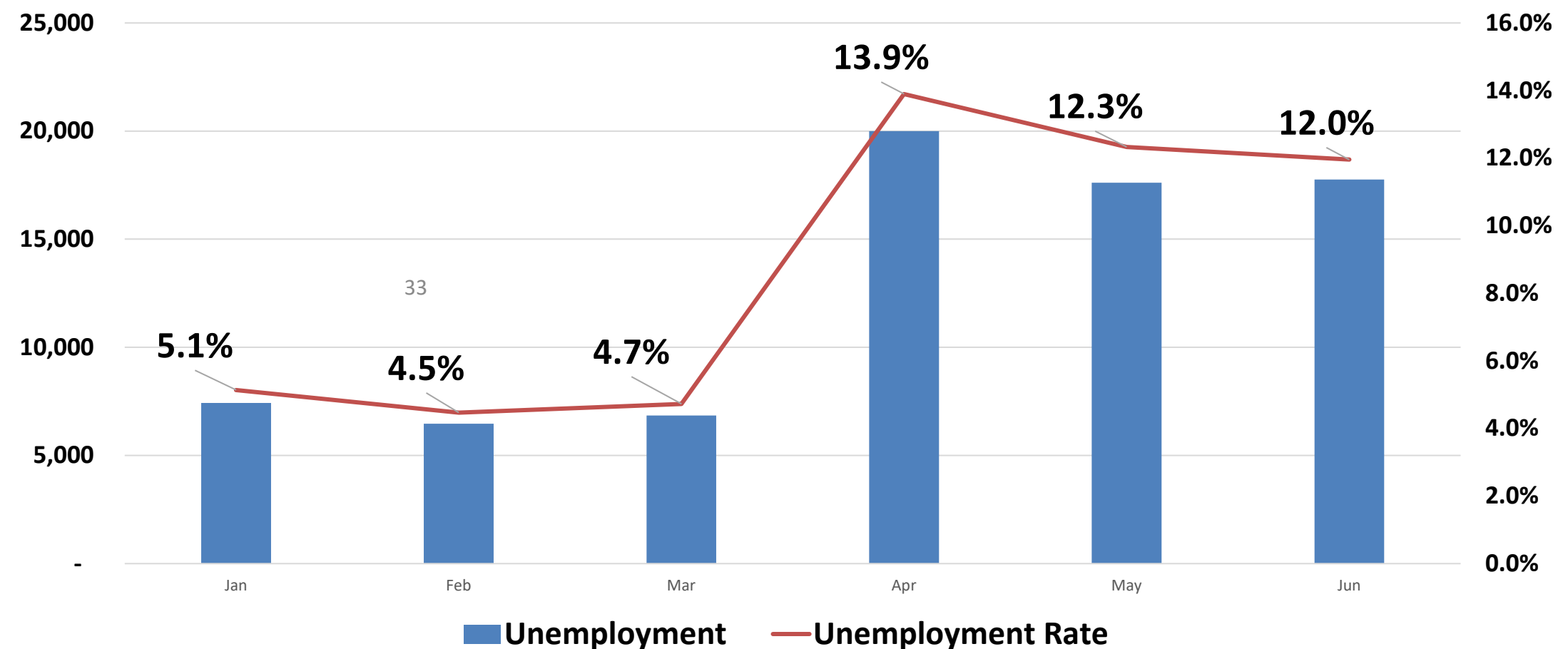


Source: Alaska Department of Labor, Civilian Employment Statistics
(CES) Monthly Survey

YTD Monthly Unemployment Totals

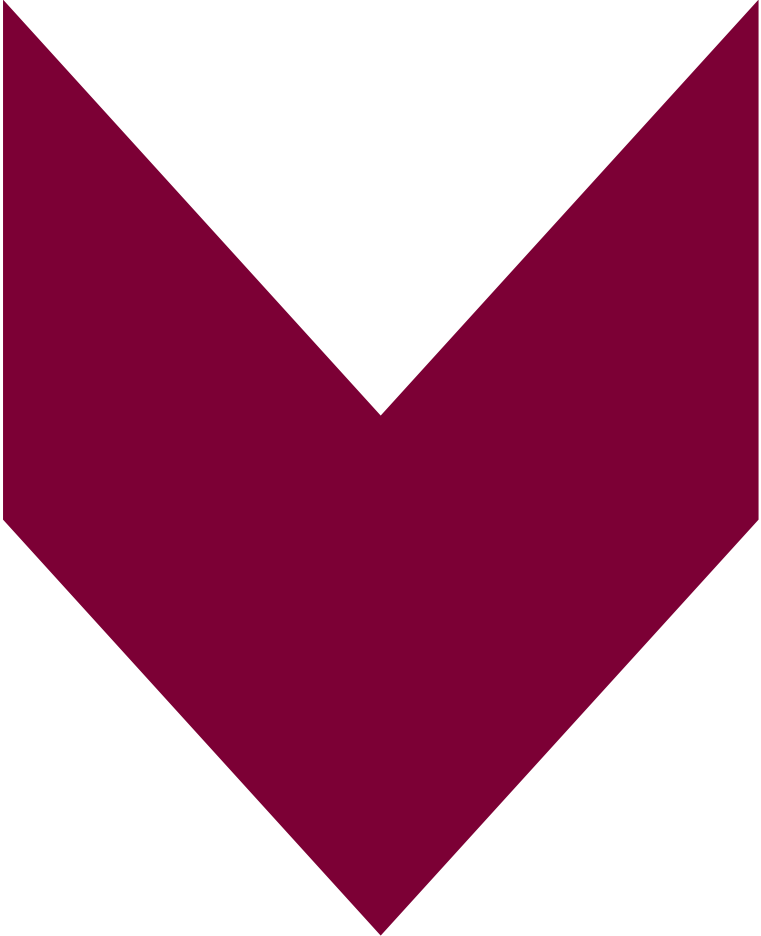
- June total unemployment: 17,800
- Current trends suggest 2020 will average 9.5% to 11.0% average unemployment for the year

Municipality of Anchorage 2020 YTD Unemployment



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.

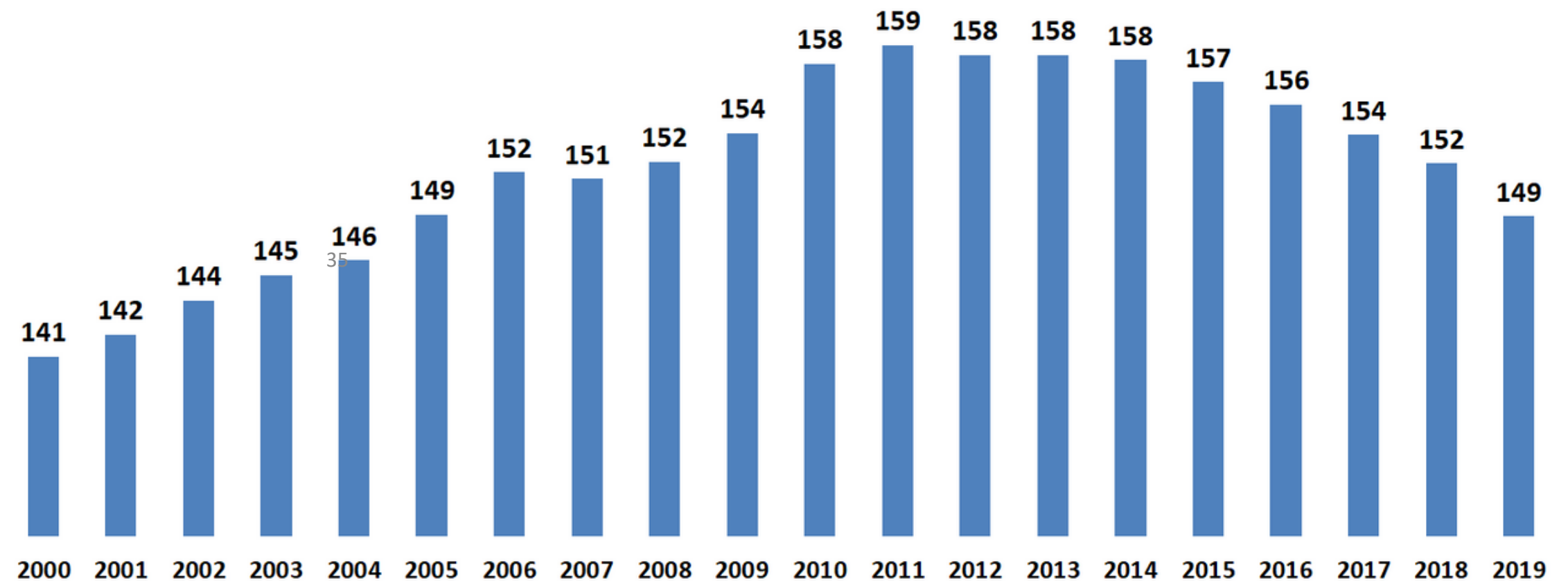


Labor Force Trends

- 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



Anchorage Average Labor Force (Thousands of People) 2000-2019



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

2020 2nd QUARTER REAL TIME JOBS INTELLIGENCE REPORT

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Data Sourced By:



Total Q2 Online Job Postings

14,265 Job titles posted, down 13.4%

3,061 Employers posting jobs, down 5%

620 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



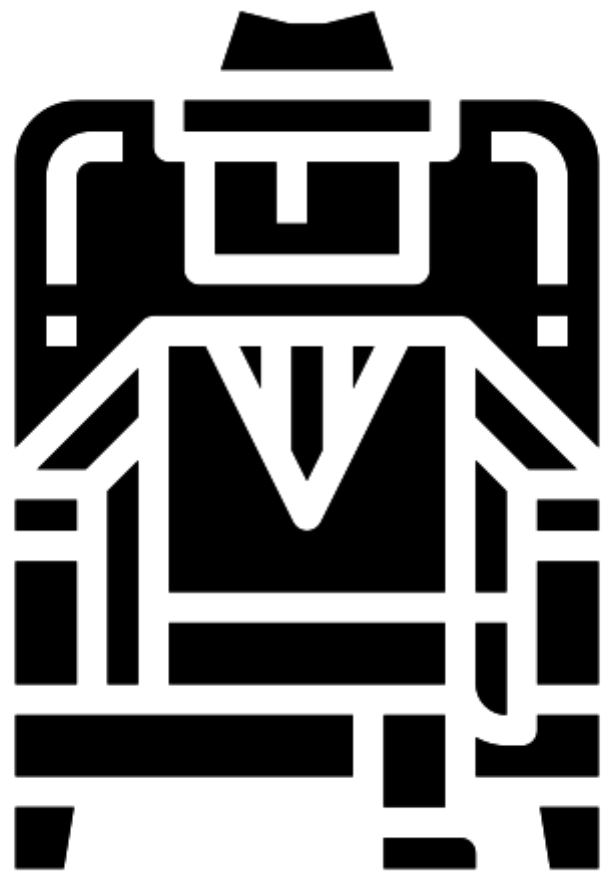
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- # 1 Retail salespersons
- # 2 Registered nurses
- # 3 Stockers and Order Fillers
- # 4 First-Line Supervisors of Retail Sales Assistants
- # 5 Customer Service Representatives
- # 6 Fast Food and Counter Workers
- # 7 First-Line Supervisors of Food 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.

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 Force³⁹
- # 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 ⁴⁰Fast Food workforce higher than normal

Registered Nurse positions continue to see high demand

“Problem Solving” a new addition to Top 10 Soft Skills wanted

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2020 2nd QUARTER ANCHORAGE CONSUMER OPTIMISM INDEX

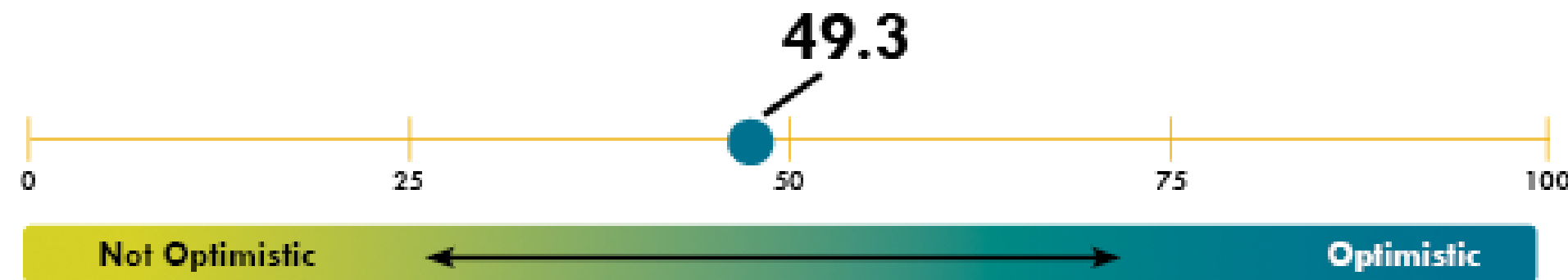
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Anchorage Consumer Optimism Index

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

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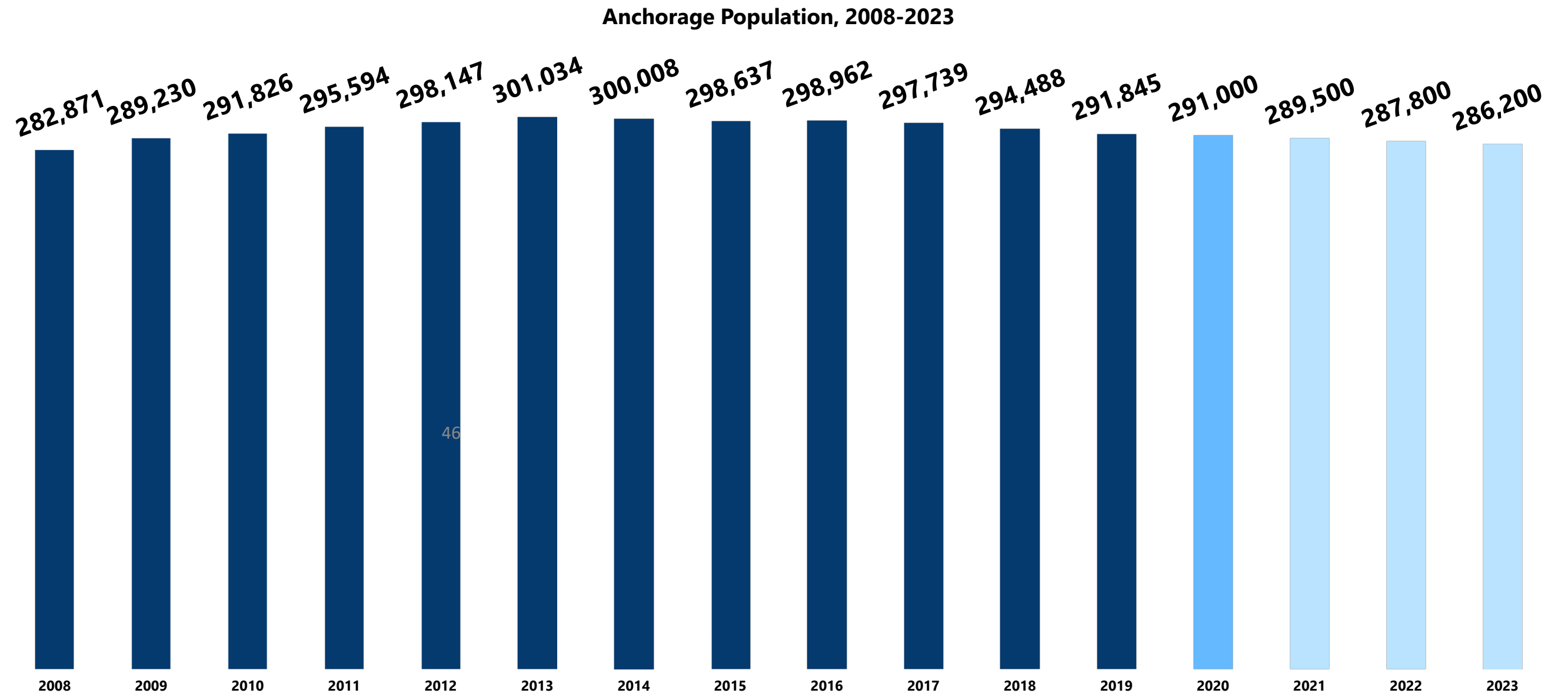
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Anchorage Population

2008-2023

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



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Source: Alaska Department of Labor and Workforce Development (2008-2019); McDowell Group Estimates (2020-2023).



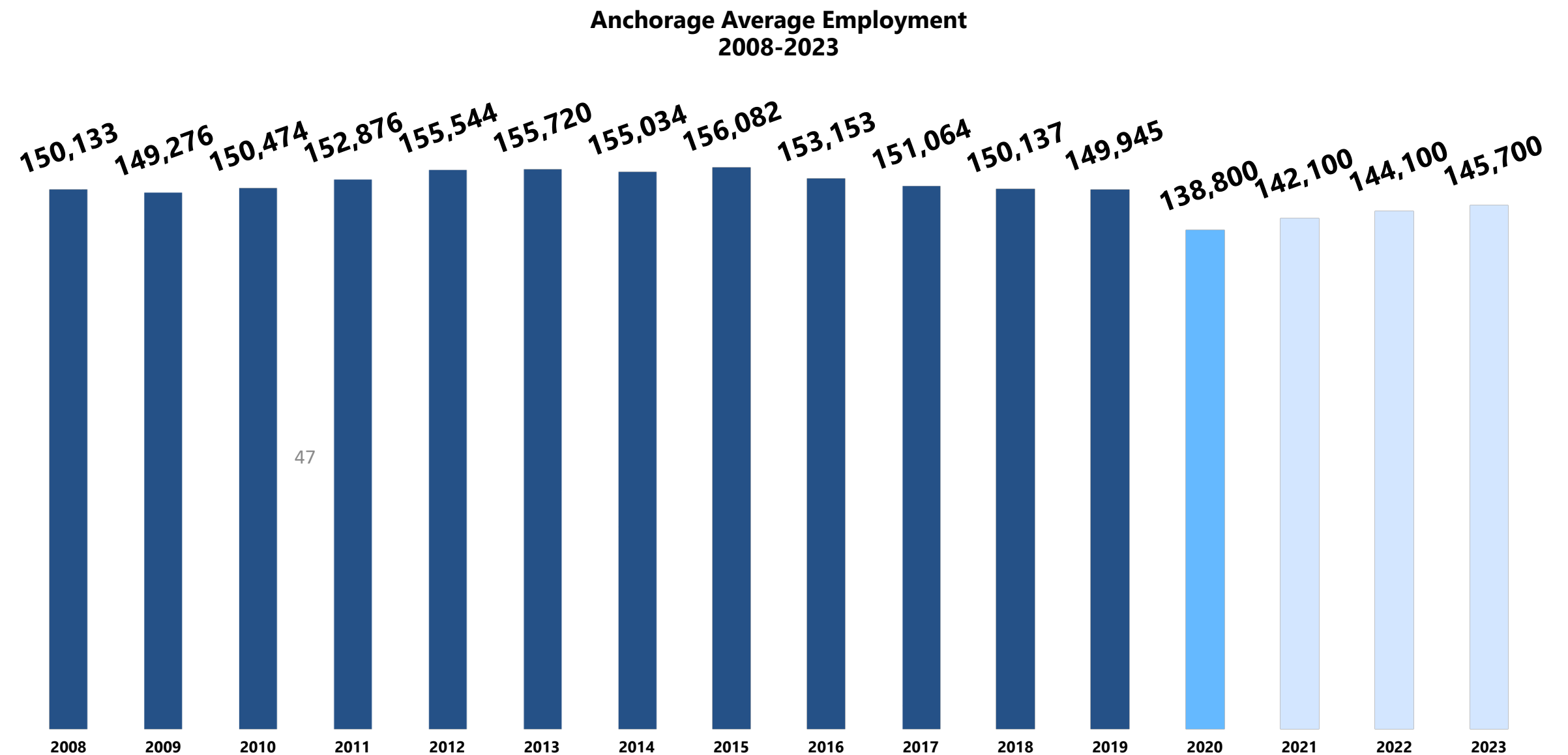
Anchorage Employment

2008-2023

- Job losses during 2014-2019 recession total 5,775
- AEDC projects job losses in 2020 at 11,100

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Source: Alaska Department of Labor and Workforce Development (2008-2019); McDowell Group Estimates (2020-2023).

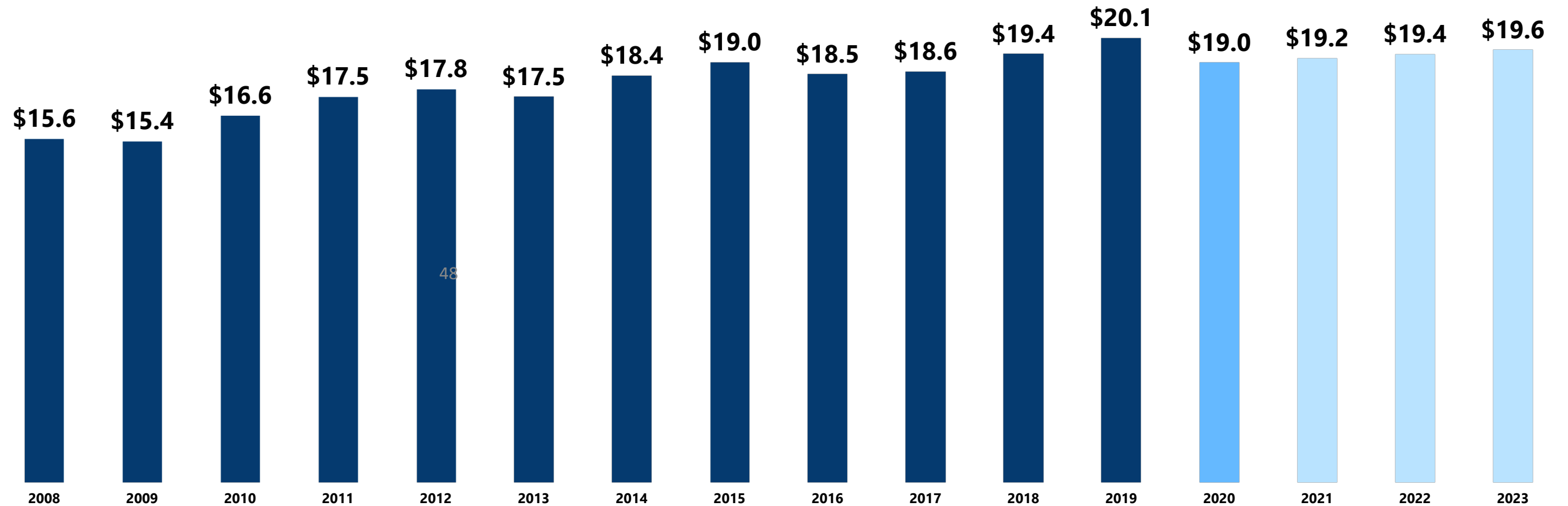


Anchorage Personal Income

2008-2023 (\$ billions)

Anchorage Personal Income
(\$Billion), 2008-2023

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



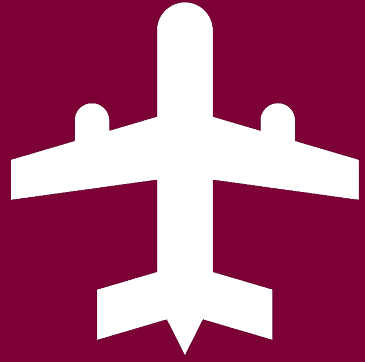
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Source: Bureau of Economic Analysis (2008-2018); McDowell Group Estimates (2019-2023).

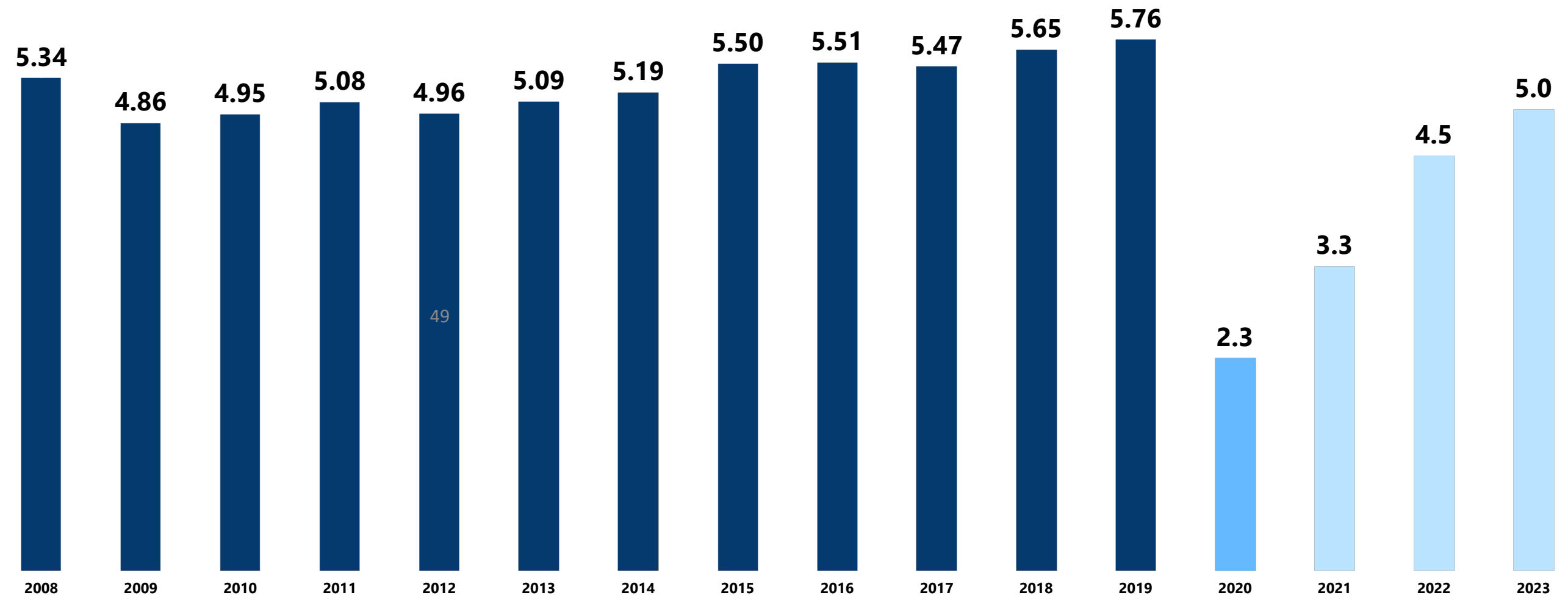


ANC Air Passenger Volume

2008-2023 (millions)

ANC Air Passenger Volume (Million Passengers), 2008-2023

- 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



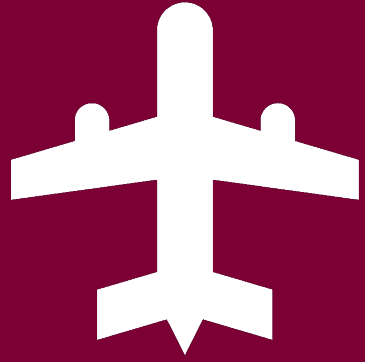
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Source: State of Alaska Department of Transportation & Public Facilities (2008-2019);
McDowell Group Estimates (2020-2023).

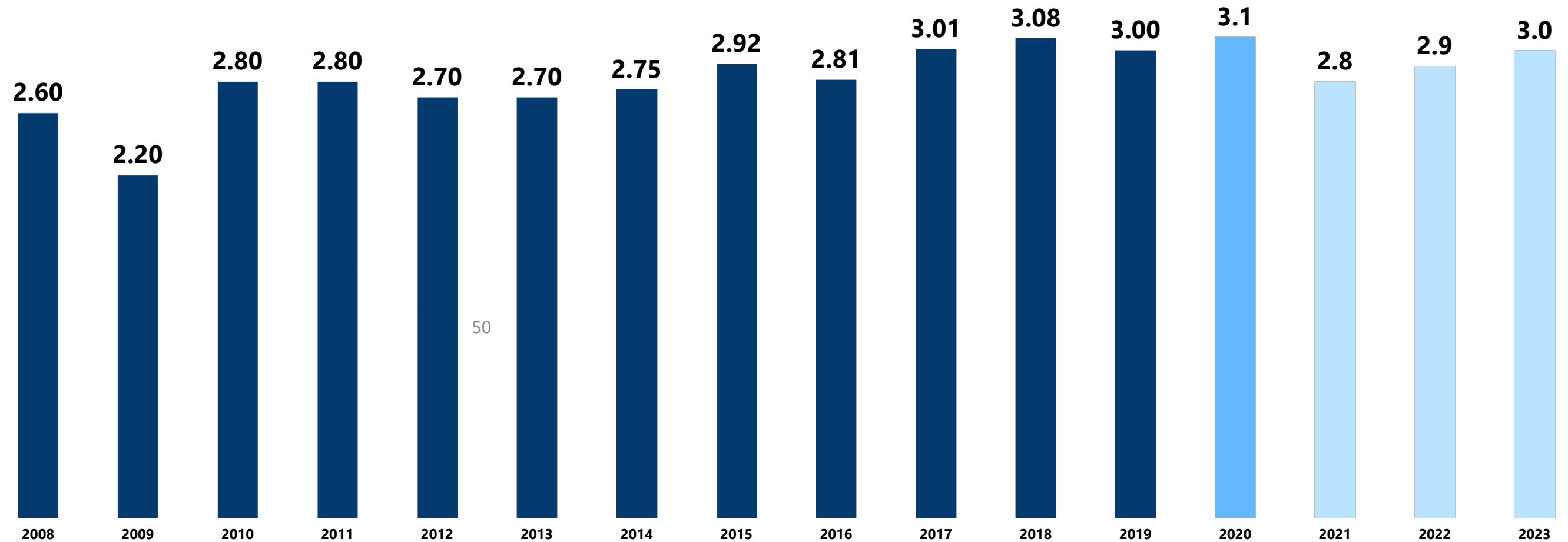


ANC Air Freight Volume

2008-2023 (million short tons)

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

- 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



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Source: State of Alaska Department of Transportation & Public Facilities (2008-2019); McDowell Group Estimates (2020-2023).



Port of Alaska Volume

2008-2023 (million tons)

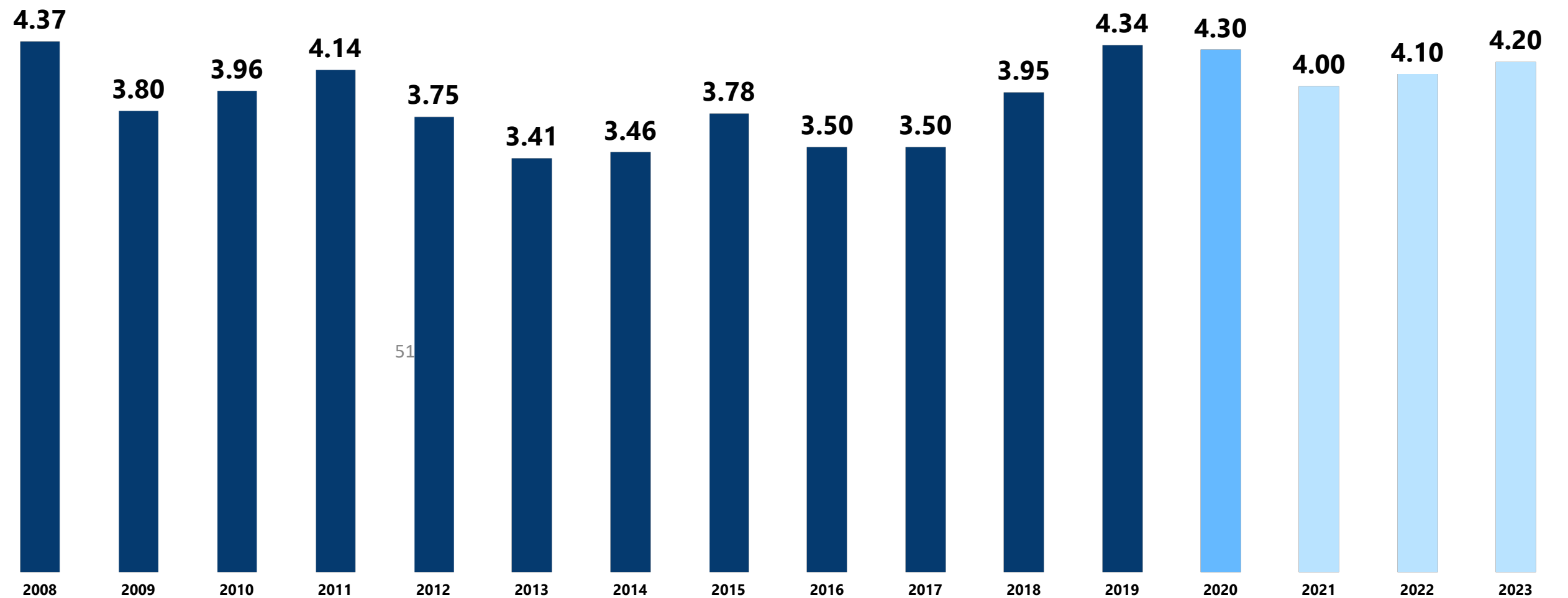
- Port of Alaska is main port of entry for majority of consumer goods, fuels and building materials vital to Alaska economy
- Volumes projected are subject to change caused by COVID-19 impacts to the Alaska and U.S. economy

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Port of Alaska Volume (Million Tons), 2008-2023



Source: Municipality of Anchorage, Port of Alaska (2008-2019); McDowell Group Estimates (2020-2023).

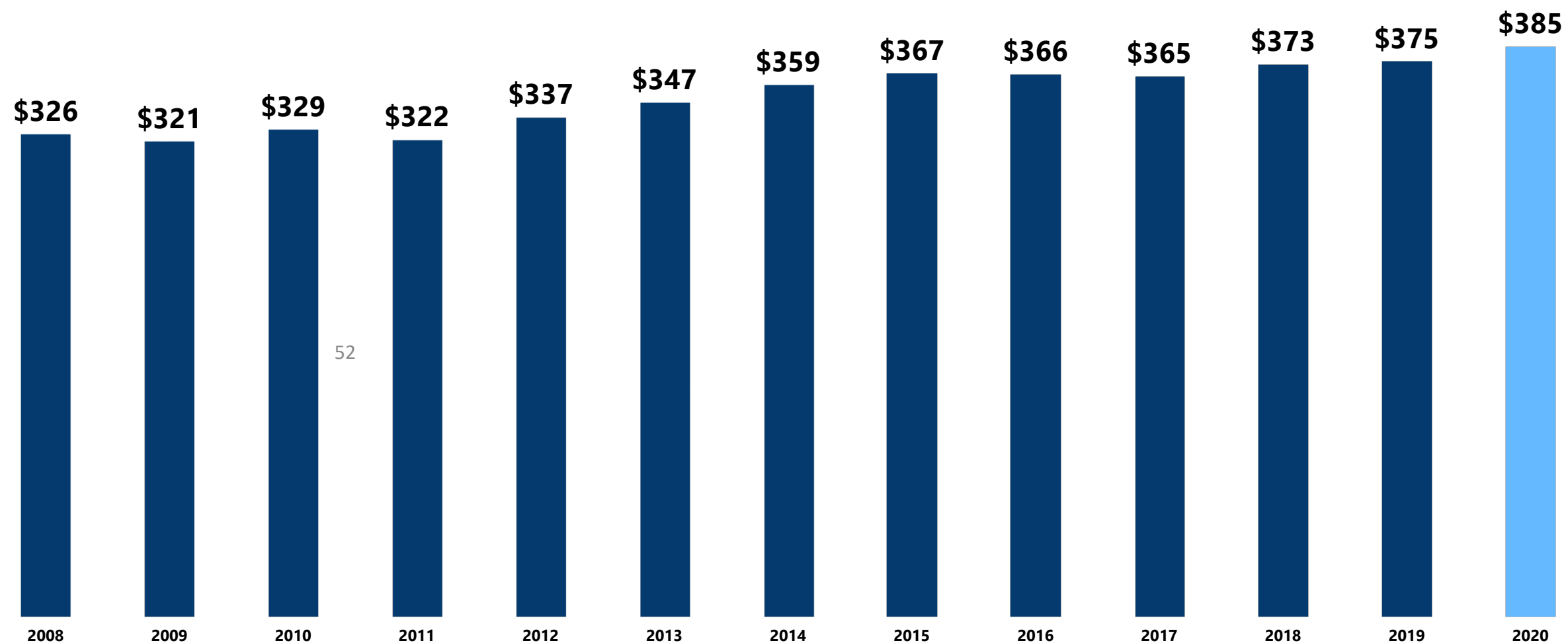


Average Single-Family Home Sales Price

2008-2020

Anchorage Average Single-family Home Sales Price (\$1,000), 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



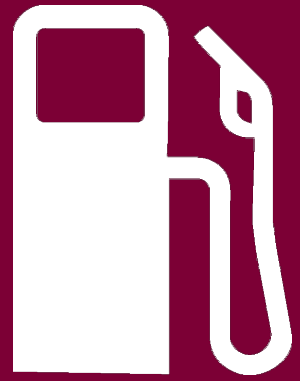
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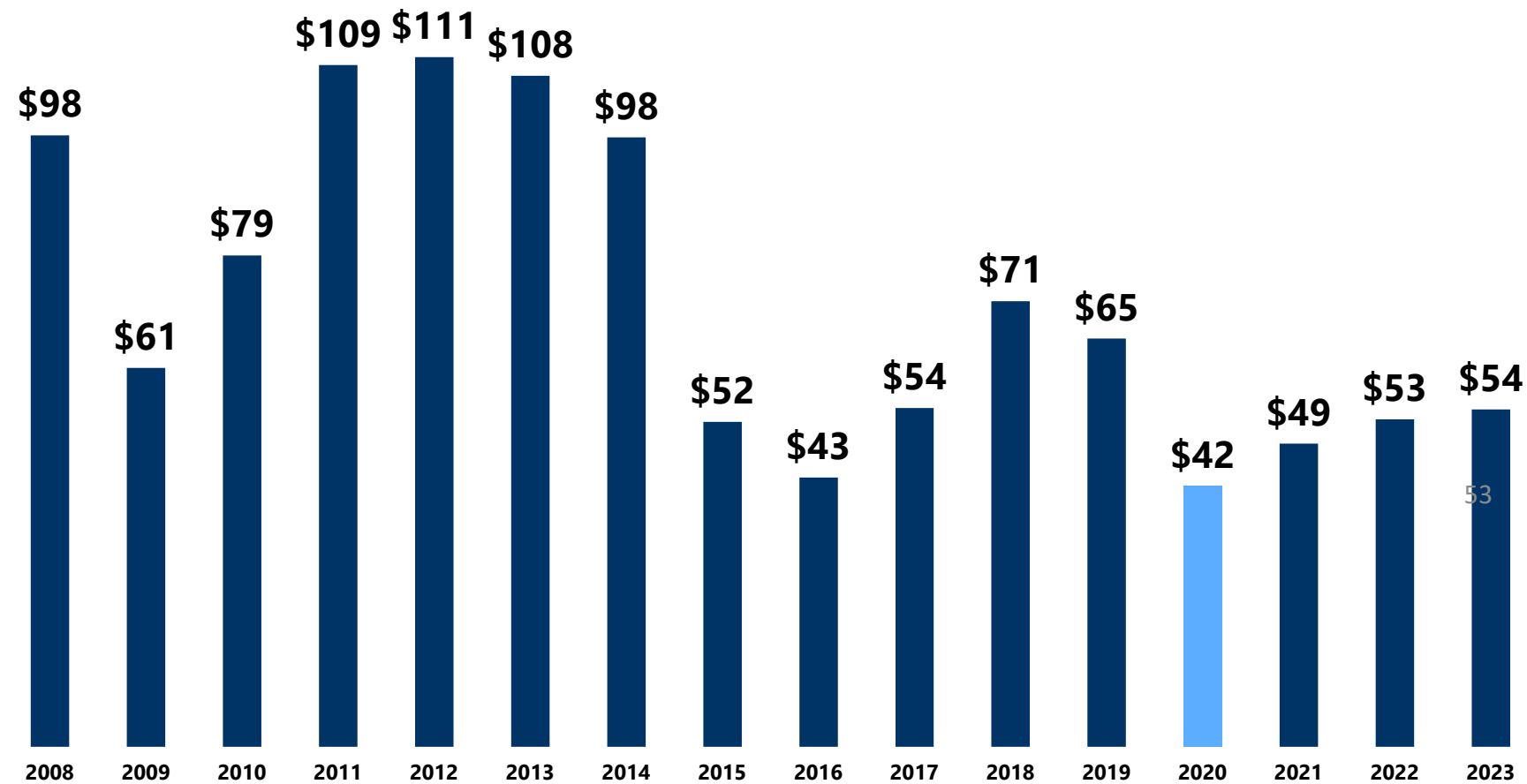
Source: Alaska Multiple Listing Service, Inc. (2008-2019); McDowell Group estimate (2020).



ANS Oil Price Per Barrel & Daily Production

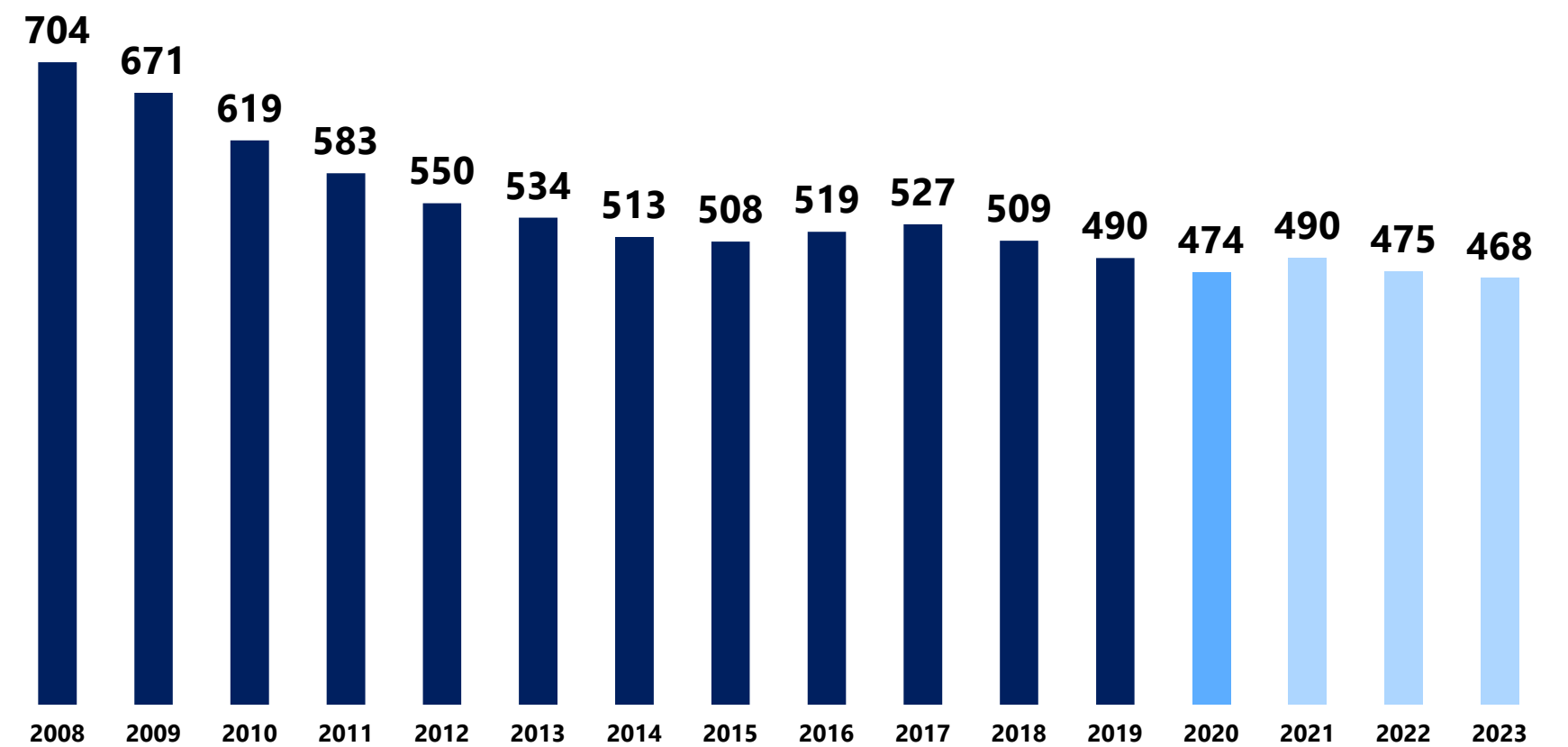
2008-2023

Alaska North Slope Crude Oil
(Average Price Per Barrel), 2007-2023



Source: Alaska Department of Revenue (2008-2020); Energy Information Administration, CME Group (2020-2022).

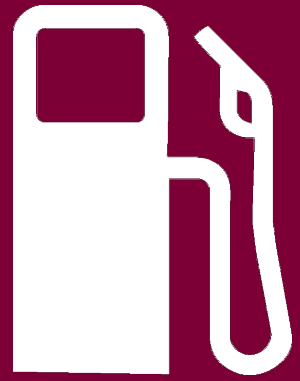
Alaska North Slope Crude Oil Production
(Thousands of Barrels per Day), FY2008-2023



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

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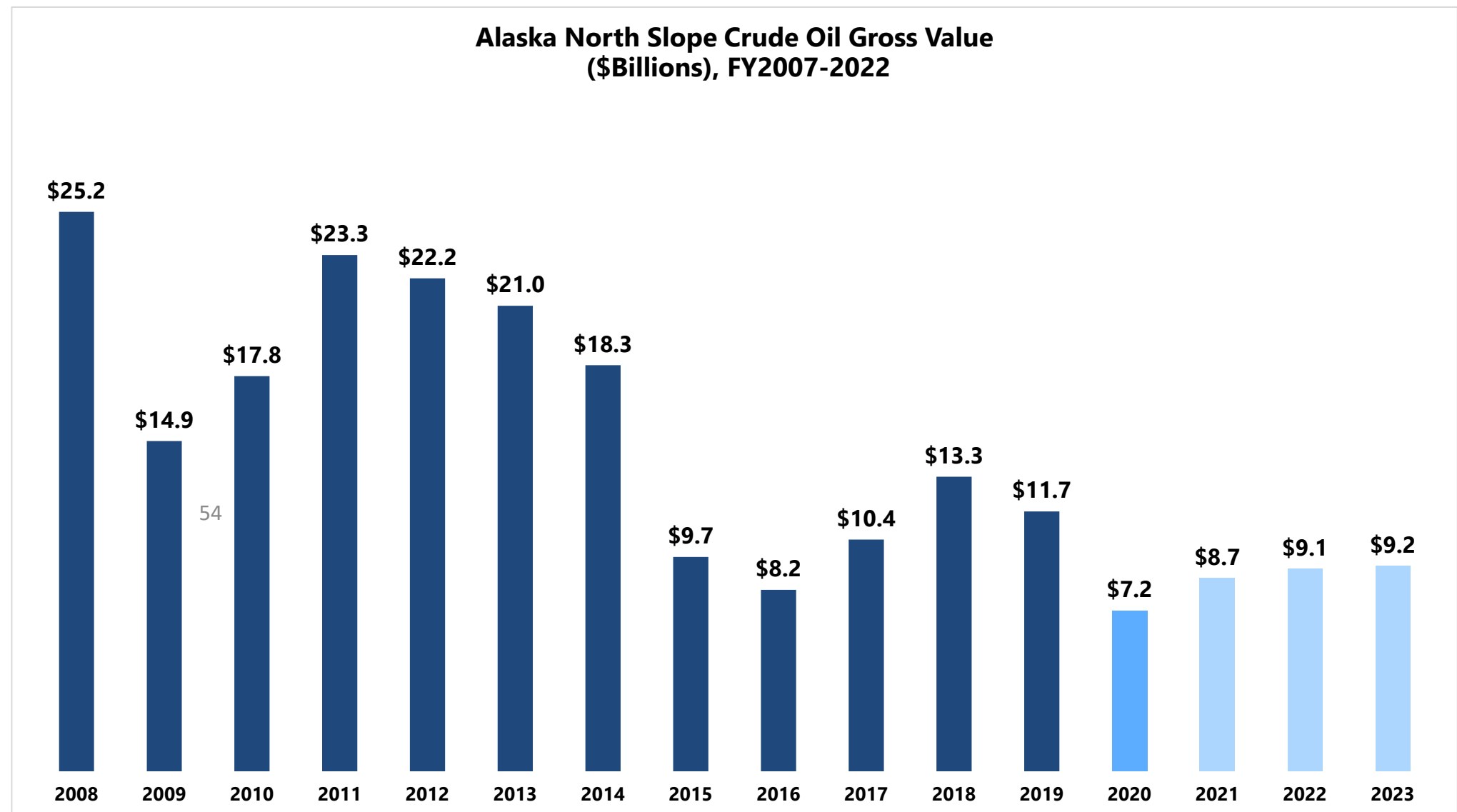




ANS Oil Production Total Gross Value

2008-2023

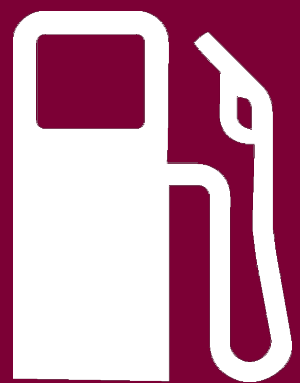
- Historic low prices and declining ANS production combined to make 2020 the lowest annual total oil gross value in decades
- Outlook is for some improvement, but still historically low levels for Total Gross Value
- Lowest statewide employment since 2005: 8,600 in June
- Oil industry still a key job generator for Alaska, but will no longer be the primary source of state government funding in the coming years



Source: Alaska Department of Revenue (2008-2020), McDowell Group calculations (2020-2023).

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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.”

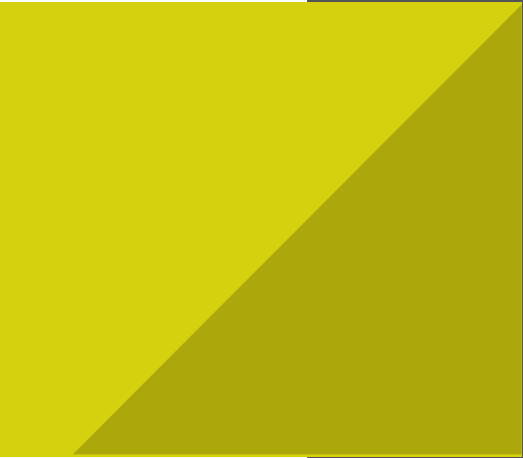
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IN SUMMARY




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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