



AUGUST 2022 ISSUE

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This report was compiled by the Anchorage Economic Development Corporation (AEDC) whose mission is to grow a prosperous, sustainable and diverse economy. If you are interested in contributing to this mission, please consider investing in AEDC by emailing development@aedcweb.com to learn more about investor benefits and the impact your investment will have on the future of our city's economy.

All data referenced in this employment report is from the State of Alaska, Department of Labor & Workforce Development, the U.S. Bureau of Labor Statistics, Alaska Multiple Listing Service, Jobs EQ and AirDNA.

If you are interested in learning more about this data or how AEDC can help its investor members develop custom reporting tools, please contact AEDC at info@aedcweb.com.

YEAR TO DATE: BY THE NUMBERS



+3.7% YTD
TOTAL JOBS
150,400
+5,250



OIL & GAS
+100



CONSTRUCTION
+350



MANUFACTURING
+100



TRANS/WAREHOUSE/
UTILITIES
+1,100



INFORMATION



FINANCIAL ACTIVITIES
-250



PROFESSIONAL &
BUSINESS SERVICES
+950



HEALTH CARE
-150



LEISURE &
HOSPITALITY
+2,050

MONTHLY SUMMARY

Preliminary job estimates imply that Anchorage's August job market is rebounding strongly from pandemic-related job losses that have plagued the economy since March of 2020, surpassing AEDC's previous projections. Preliminary job numbers for August show that Anchorage is the closest it's been to full job recovery from the pandemic on a monthly basis.

In August, Anchorage had an estimated 150,400 jobs, which is only 600 jobs less than actual jobs in August of 2019. If this trend continues, Anchorage may see full pandemic recovery with monthly jobs surpassing 2019 numbers by September. While this data is encouraging, it's important to note that 2022's annual job estimates are still trailing 2019's actual job counts by an average of 3.4%, or about 5,000 jobs per month. Additionally, Anchorage's labor market is extremely tight with unemployment at a record low of 2.9% meaning that the lack of available workers will be the largest barrier to full pandemic recovery.

Anchorage and Mat-Su's largest employers continue to be government entities, like the Anchorage Municipality and the Matanuska-Susitna Borough, health care providers, like Providence and the Southcentral Foundation, and the Anchorage School District. The most sought-after professions are registered nurses, retail sales persons (including front-line workers and their supervisors), stockers and order fillers, and human and social services assistants. The Anchorage housing market continues to have an extremely low inventory of single-family homes with homes being quickly purchased by buyers, but one point of relief for home buyers is that the average sales prices of single-family homes have been decreasing for the last three months since their peak of \$491,476 in May. The change in sales price is mostly a result of the Federal Reserve's attempts to curb national inflation by steadily increasing interest rates since March of 2022, which have pushed home mortgage rates solidly above 5% in most cases.

Note on data methodology: In August, AEDC made an adjustment to their reporting methodology to improve accuracy, which means that some analyses may not be exact when compared to previous month's jobs reports. There are two primary data sets that AEDC uses to analyze and report on job trends, which are the Current Employment Statistics (CES) and the Quarterly Census of Employment and Wages (QCEW). The CES data is a more immediate monthly estimate by the Bureau of Labor Statistics and is gathered by sampling nonfarm establishments through the CES program. Several months later, BLS publishes QCEW data, which is a much more comprehensive and precise representation of actual jobs during that time period. To provide information to members and the public as soon as possible, AEDC uses the CES data when it is released but updates previous months with QCEW data and revised CES data as soon as it becomes available. Sometimes, this means that significant revisions are made to the initial CES data, even though it's the most accurate estimate that is at the time of this publication.

AUGUST GAINS

Construction + 350
Trade/Transportation/Utilities +1,700
Professional & Business Services + 900
Educational & Health Services + 350
Leisure & Hospitality + 1,700
Food Services & Drinking Places + 1,000
Federal Government + 200

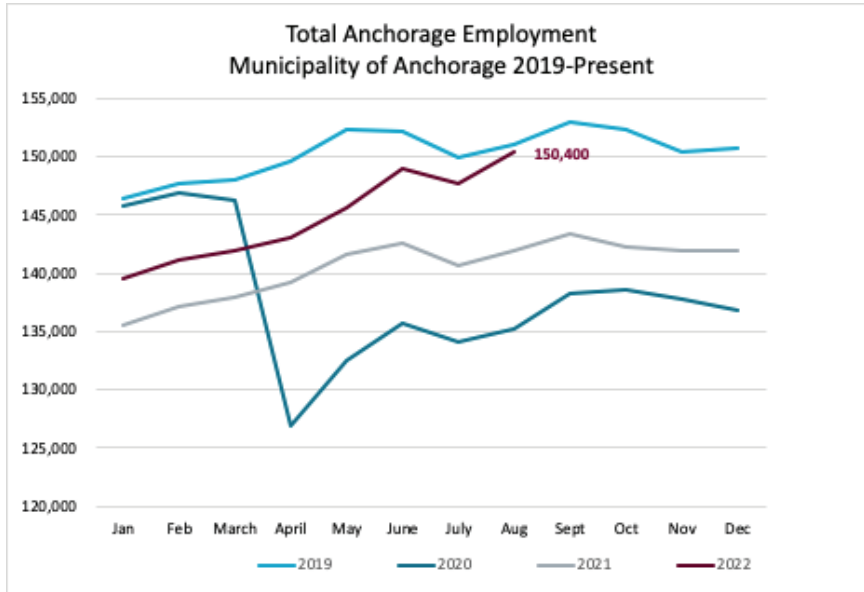
AUGUST LOSSES

Financial Activities - 100
State Government - 150

NO CHANGE

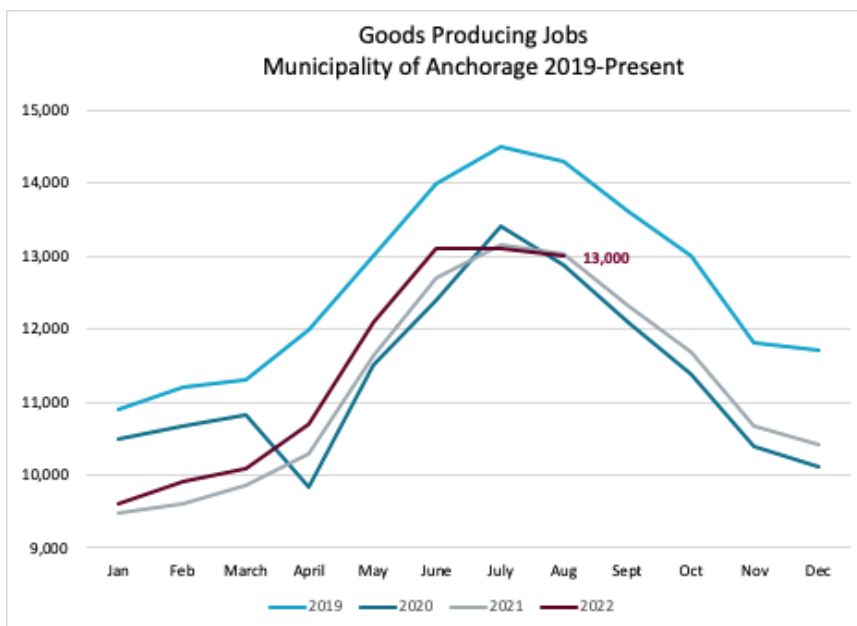
Oil & Gas, Manufacturing,
Health Care, Information

ANCHORAGE EMPLOYMENT



Total Anchorage employment is at 150,400 in August of 2022, showing an increase of 8,500 jobs compared to the same month in 2021. Even more noteworthy, Anchorage is within 0.4% of pre-pandemic job numbers which puts full pandemic job recovery within a close reach. If current trends continue, Anchorage could achieve full recovery in September of 2022.

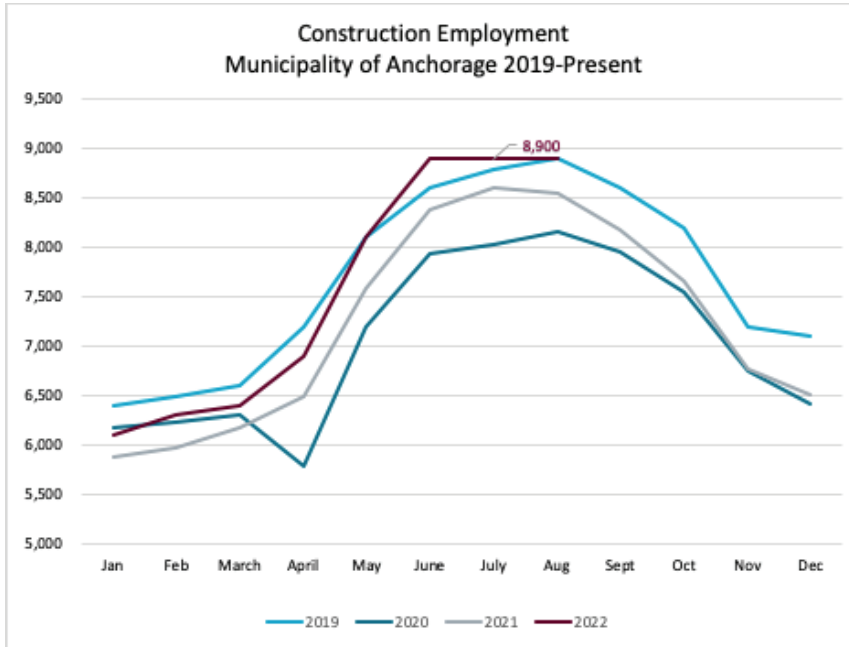
GOODS PRODUCING JOBS



Anchorage's estimated 13,000 jobs in the goods producing sector was down by 100 jobs as compared to July's revised estimates and equal with last year's actual numbers for August. This stagnation is driven by a 16.5% decrease in the natural resources and mining sector of the economy that could not be outweighed by the construction industry's modest 4.2% growth.

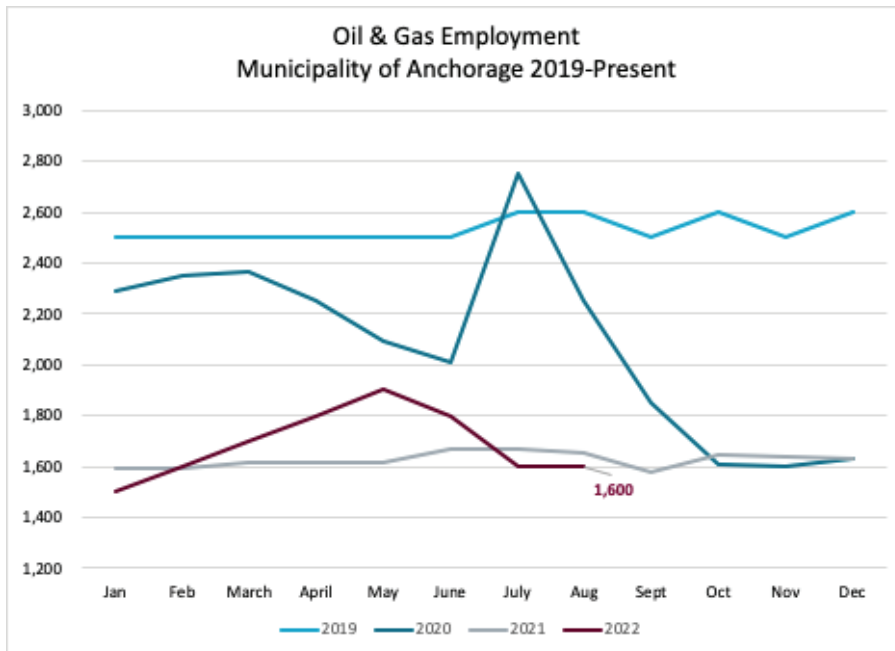
All data sourced from the Alaska Department of Labor and the U.S. Bureau of Labor Statistics.

CONSTRUCTION EMPLOYMENT



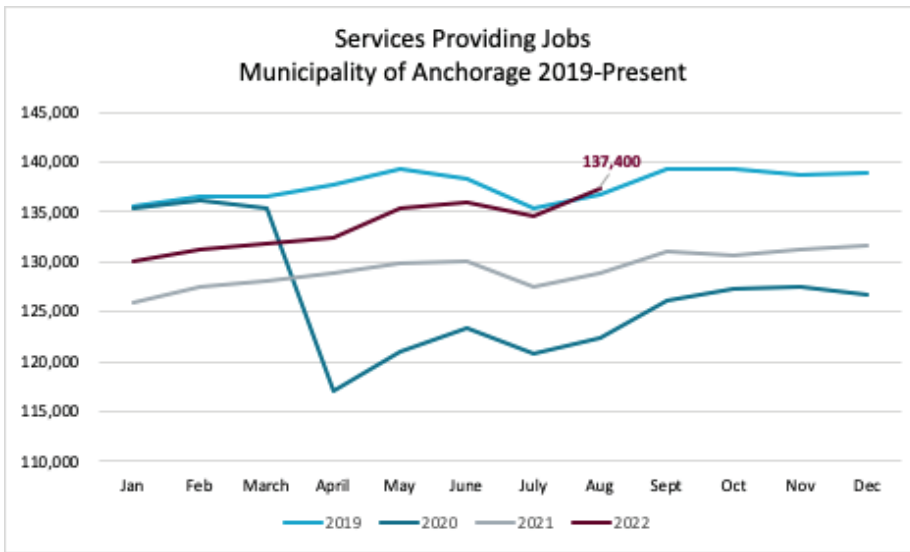
Revised and current estimates show that Anchorage's construction jobs have remained level at 8,900 for the summer season and did not see the traditional job peak in August. However, the performance of this sector is still strong as the past three months have boasted the highest job numbers since 2015. The lack of month over month growth is most likely due to the lack of available workers and not due to intentional stagnation of construction companies.

OIL & GAS EMPLOYMENT



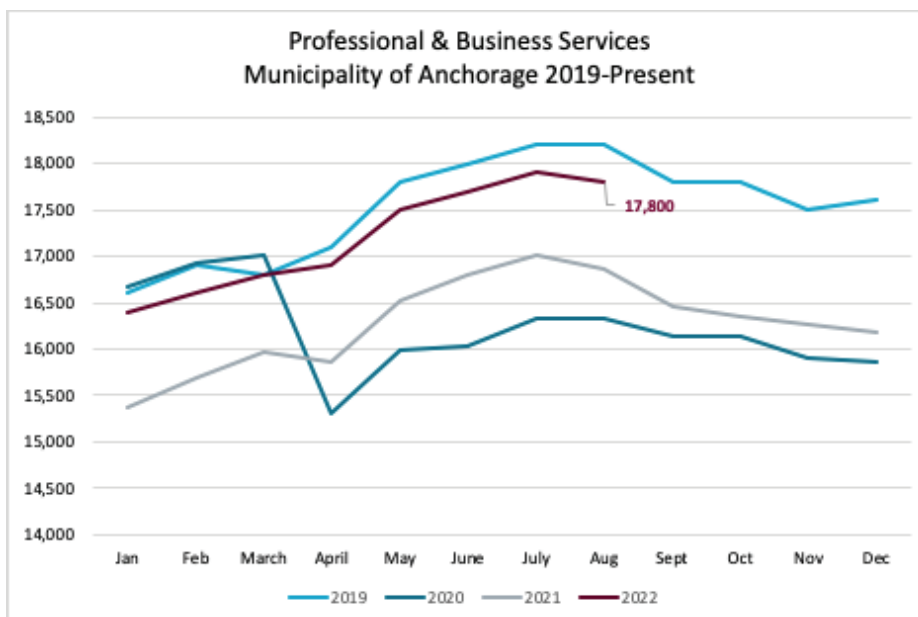
After the Bureau of Labor Statistics produced revised numbers for July, we are seeing that oil and gas jobs have not shown monthly growth since May of 2022. There were an estimated 1,600 jobs in August, which was roughly equal to the month prior's revised numbers and slightly under the 1,657 actual jobs in August of 2021.

SERVICE PROVIDING JOBS



The service sector is where the majority of Anchorage's economic activities occur, and it represents all jobs that provide services or intangible goods. Anchorage's 137,400 jobs in the services providing finally surpassed pre-pandemic levels in the same month by an impressive 8,500 jobs. Most of this growth came from the tourism sector, which saw over 10% growth overall and 12.9% specifically in accommodations. The transportation, warehousing and utilities section also saw strong growth with an 8.9% increase over August in 2021.

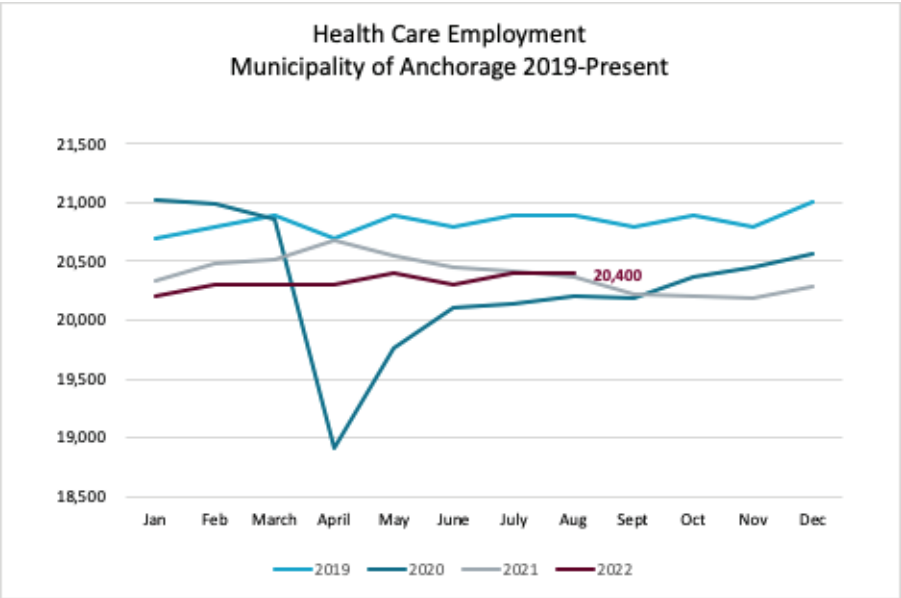
PROFESSIONAL & BUSINESS SERVICES



Anchorage's professional & business services sector saw a slight decrease of 100 jobs as compared to July but job numbers remain consistently above the past two years, with August showing a material 5.6% increase over August in 2021.

All data sourced from the Alaska Department of Labor and the U.S. Bureau of Labor Statistics.

HEALTH CARE EMPLOYMENT



Health care employment has barely budged throughout 2022 with an average of 20,300 jobs year-to-date and an estimated 20,400 jobs in August, which is also equal to August of 2021. The primary challenge in this sector continues to be workforce shortages and a very tight labor pool for nearly all positions in health care facilities throughout Anchorage.

All data sourced from the Alaska Department of Labor and the U.S. Bureau of Labor Statistics.

TOP JOBS OPENINGS BY OCCUPATION

#1 Registered Nurses

Average annual:
\$83,200

Total Ads:
918

#2 Retail Salespersons

Average annual:
\$31,200

Total Ads:
561

#3 Stockers and Order Fillers

Average annual:
\$35,360

Total Ads:
539

#4 Social and Human Services Assistants

Average annual:
\$41,336

Total Ads:
433

#5 First- Line Supervisors of Retail Sales Workers

Average annual:
\$39,425

Total Ads:
424

These numbers represent average salary and number of job openings for each occupation in August.

TOP EMPLOYERS

Providence Health & Services - 560

Anchorage School District - 296

Municipality of Anchorage - 238

University of Alaska - 209

Matanuska-Susitna Borough - 145

Southcentral Foundation - 154

GCI Communication - 140

State of Alaska - 132

Albertsons Companies (Safeway) - 123

Alaska Native Tribal Health Consortium - 96

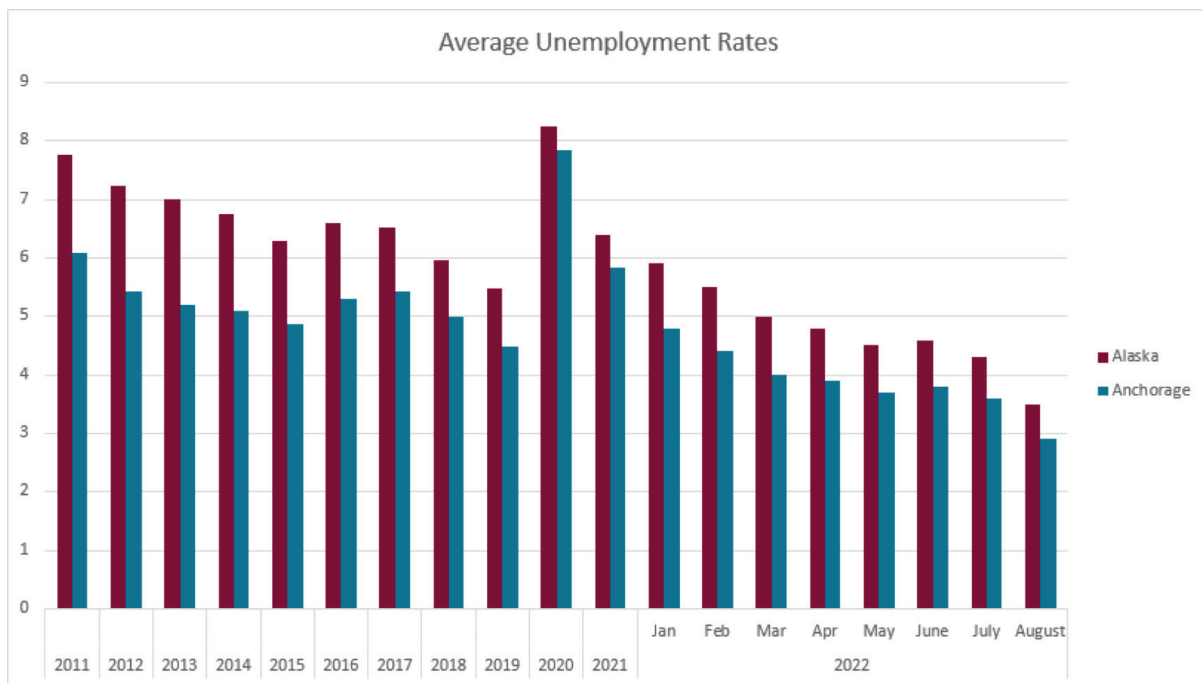
These numbers represent open positions in August.

UNEMPLOMENT TAKEAWAY

Anchorage continues to shatter records related to unemployment with the preliminary unemployment rate in August being only 2.9%, down a substantial 0.7% compared to the prior month of July. This time last year, Anchorage had an unemployment rate of 5%. Anchorage continues to show the lowest unemployment rate in the southcentral region although other regions are displaying equally unprecedented numbers. The Kenai Peninsula Borough reported 3.8% unemployment, the Matanuska-Susitna Borough reported 4.0% and the State of Alaska as a whole set another record monthly low of 3.5% unemployment in August. All of these unemployment rates represent significant positive opportunities for job seekers in Southcentral Alaska and better position job seekers to negotiate for desired pay, benefits, working environments and other job-related elements.

As we continue to see unemployment rates at historic lows through the entirety of 2022, there was an increase in total Anchorage/Mat-Su jobs posted from approximately 16,000 in July to 17,000 in August. This is a staggering number when we consider that total unemployed job seekers in these regions decreased by approximately 1,400 in that same time period. Considering that there may be some unintentional duplication of job postings, we approximate that there are at least two job openings for every one person looking for work in the Anchorage/Mat-Su region. AEDC believes this worker shortage is primarily driven by a continual surge in retirements of the baby boom generation and an outmigration of working age adults to the lower-48. Additional factors that contribute to this labor shortage are continuing fears of COVID-19, and a lack of affordable and available daycare for families with children.

In August, there were 4,476 unemployed individuals reported in Anchorage compared to 7,383 in August of 2021. Anchorage's locally based labor force, which is the combination of employed people and unemployed people who are actively seeking work, increased slightly to 151,746, up 1,730 from the month prior and up over 3,000 from the same month in 2021.



ANCHORAGE SINGLE-FAMILY HOME LISTINGS

Anchorage Single Family Home Listings

Anchorage saw 418 new residential home listings in the month of August. On average, Anchorage has the most homes listed in August than any other month of the year. This year, August saw a 4.2% decrease in residential listings as compared to July of this year, indicating that Anchorage's market may be cooling off for the summer earlier than in past years. August marks the eighth straight month where Anchorage has had the lowest monthly inventory on record since AEDC began collecting this data in 2008.

Anchorage Single Family Home Monthly Unit Sales

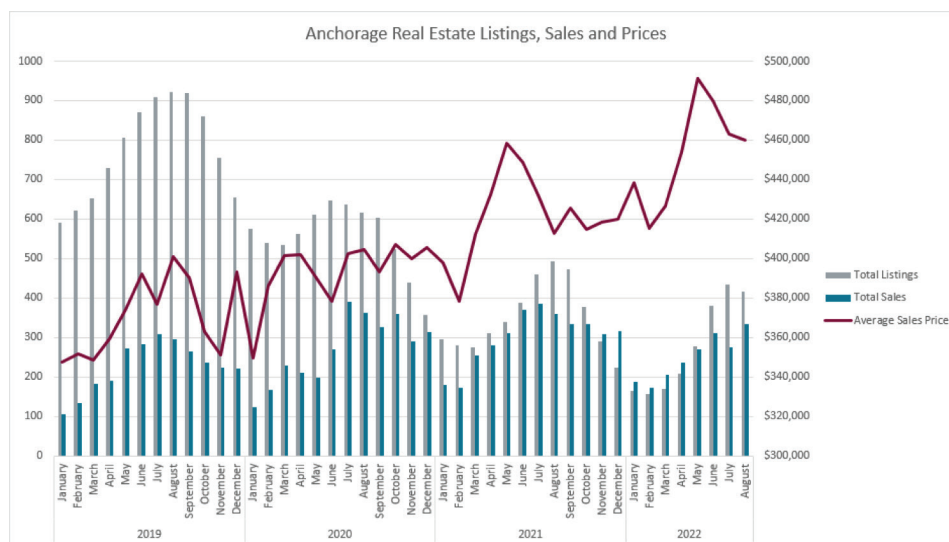
334 single-family homes were sold in August, which is 4.4% higher than the average sales in August for the past decade and was only surpassed by 360 homes sold in 2021 and 364 homes sold in 2022. Year-to-date, 1,999 total single family homes have been sold, which is 98% of the total inventory listed in 2022, highlighting the extremely tight housing inventory in Anchorage.

Anchorage Single Family Home Average Sales Price

The average price of a single-family home in Anchorage was \$460,133, down slightly from July and the lowest the Anchorage housing market has seen since April 2022 but still a record high for the month of August. Sale prices to date have averaged 7.6% higher than 2021 but may be leveling off as home mortgage rates continue to increase and have surpassed 5% in most cases and even 6% in many cases.

Other Housing Implications

The tight housing market and high interest rate environment is also having an impact on Anchorage's rental market because more would-be first-time homeowners are remaining in the rental market. The Alaska Department of Labor and Workforce Development reports that Anchorage's asking rent has increased by as much as 14.2% as compared to rents in 2021, for a median adjusted asking price of \$1,339. In addition to less people transitioning out of the rental market, an added pressure to the housing market is the increase in short-term rentals like Airbnb and VRBO, which AirDNA estimated to be 2,206 in August throughout the Municipality of Anchorage, which includes Eagle River and Girdwood.



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