



DECEMBER 2022 ISSUE

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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 and Jobs EQ.

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DECEMBER 2022 VS DECEMBER 2021 MONTHLY JOB CHANGES



TOTAL JOBS
145,500
+ 3,500



RETAIL TRADE
+ 200



TRANS/WAREHOUSE/
UTILITIES
+ 1,300



FINANCIAL ACTIVITIES
- 300



EDUCATIONAL &
HEALTH SERVICES
+ 900



LEISURE & HOSPITALITY
+ 1,200*



PROFESSIONAL &
BUSINESS SERVICES
+ 900



OIL & GAS
- 100



CONSTRUCTION
- 100



WHOLESALE TRADE
- 200



INFORMATION
- 100



STATE EDUCATION
+ 100

* INCLUDES
'FOOD SERVICES &
DRINKING PLACES'
+ 300

AND 'ACCOMMODATION'
+ 500

MONTHLY SUMMARY

Anchorage continues to inch towards a full recovery from the COVID-19 pandemic. Preliminary jobs numbers for December 2022 show 145,500 jobs in Anchorage, an increase of 3,510 over December 2021, down slightly from November's year-over-year improvement, which showed a 3,600 job increase over 2021.

Anchorage continues to gain ground relative to pre-pandemic job numbers. December 2022 trailed December 2019 by only 3,500 jobs; meanwhile November 2022 numbers were 4,100 jobs short of November 2019 and October 2022 trailed October 2019 by 5,300 jobs. A portion of this progress certainly appears to be ongoing recovery from pandemic-related job losses, but there may also be a portion that is attributable to a reluctance to reduce staffing in the slow season for fear of difficulty staffing back up to full capacity when seasonal demand returns to peak levels. (This is a phenomenon which has been documented nationally, and may help explain smaller than anticipated seasonal job reductions in several industries)

Pandemic-driven job losses are not the only jobs Anchorage is currently trying to recover, however. Each year between 2012-2015, Anchorage averaged more than 155,000 jobs, whereas prior to 2020 you would have to go all the way back to 2007 to find a year when Anchorage had an annual average of fewer than the 150,000 jobs we averaged in 2019.

A quick summary of progress recovering from the pandemic and recession which preceded it, looking at annual average job counts:

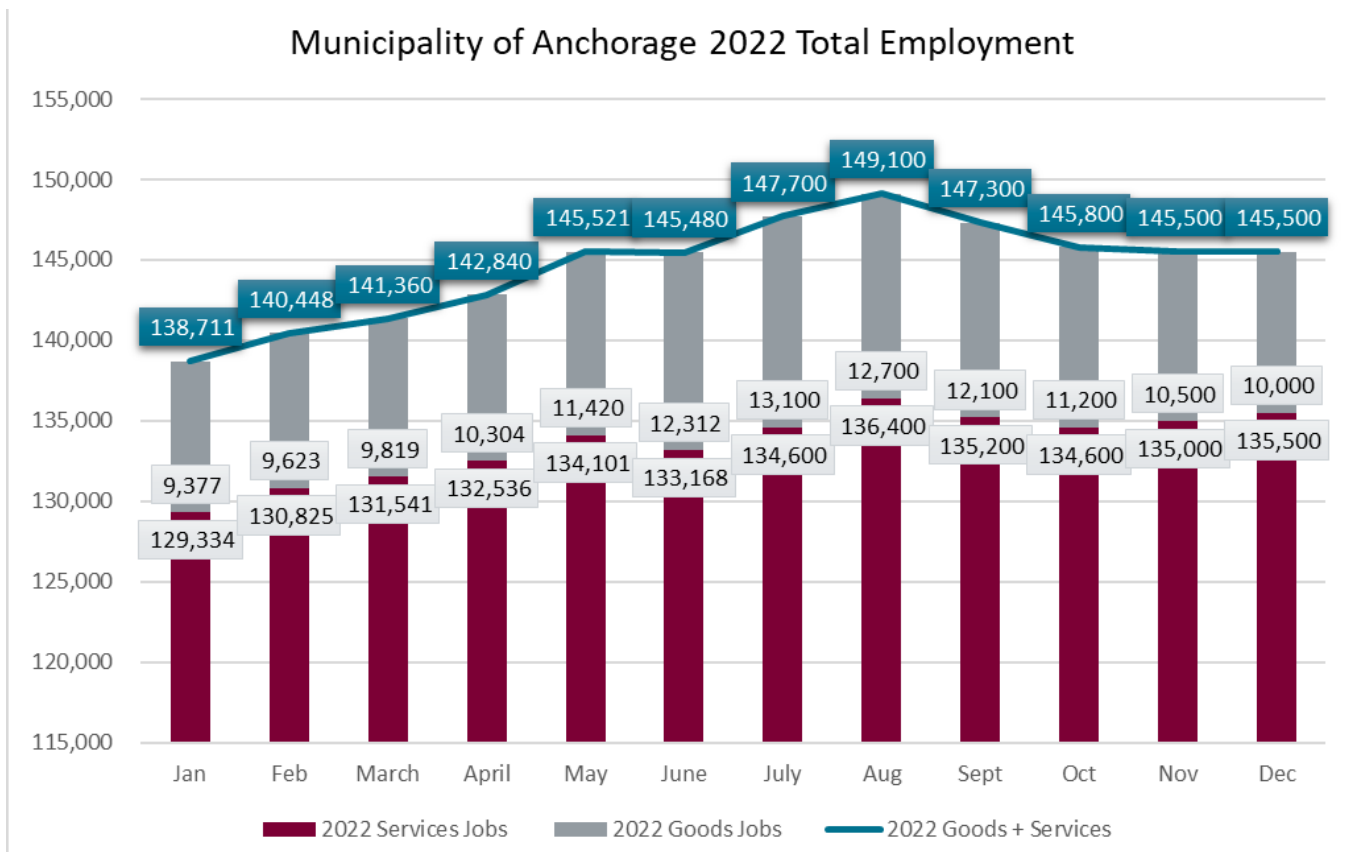
- Anchorage peaked at over 155k jobs (2012-2015 averaged 155k-157.2k jobs)
- By 2019, Anchorage had lost 5k+ jobs (2019 average = 150k jobs)
- The pandemic knocked out another 12k jobs (2020 average = 138k jobs)
- 2021 recovered about 2.5k jobs (up to 140.5k jobs)
- 2022 has recovered roughly 4k jobs (up to 144.6k jobs)
- In 2022, Anchorage was more than 5k jobs below the lowest jobs years of 2007-2019
- In 2022, Anchorage was more than 10k jobs below the lowest jobs years of 2012-2015

Despite a strong year in 2022 for the Anchorage economy on many fronts, as the rest of this report will show, there are reasons to be concerned about Anchorage's ability to continue this positive trajectory of jobs recovery due to a maximized existing labor force and an incredibly tight real estate market making it difficult and expensive for any new entrants to the workforce to find or afford housing.

ANCHORAGE EMPLOYMENT

Anchorage's jobs total was 145,500 in December of 2022, showing an increase of about 3,500 jobs compared to December 2021 but still 4,500 short of December 2019's pre-pandemic levels.

Throughout 2022 Anchorage and Mat-Su's largest employee-seekers were consistently be government entities, like the Anchorage Municipality, Matanuska-Susitna Borough, and State of Alaska; health care providers like Providence and the Southcentral Foundation; and education providers like the University of Alaska and the Anchorage School District. The most sought-after employees were registered nurses, retail salespersons (including front-line workers and their supervisors), stockers and order fillers, and human and social services assistants.



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

GOODS PRODUCING JOBS

Anchorage's estimated 10,000 jobs in goods producing sectors for December was down by 500 from November and down 400 compared to December 2021. Anchorage's goods producing industries have struggled to make much progress on pandemic recovery and remain in-line with weak 2020 jobs totals, running slightly behind 2021 every month in 2022.

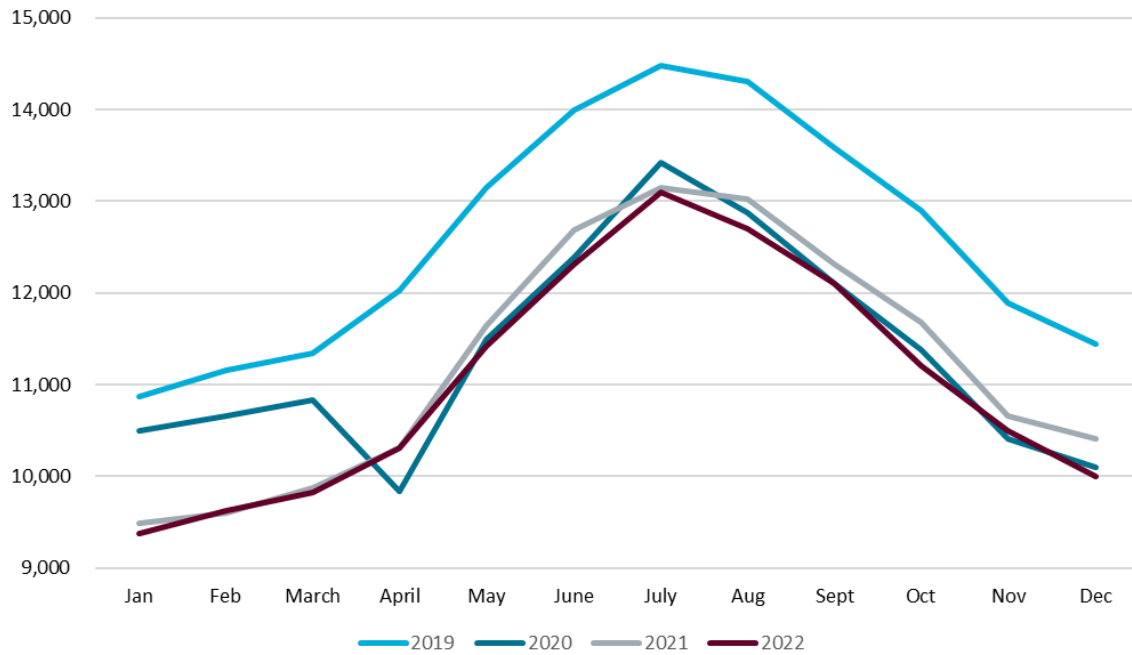
The month-over-month decrease in Goods producing jobs follows expected seasonal trends in the Construction sector, which shed another 500 jobs since November. More concerning, however, the 6,400 Construction jobs in December slightly lag the sector's jobs performance in 2021.

The year-over-year decrease in Goods Producing jobs is primarily driven by continued weak numbers in the and Oil and Gas sector. Though Oil and Gas employment actually added 100 jobs in December over November 2022, the sector continues to lag 2021 jobs and over the whole of 2022 averaged more than 40% fewer jobs than it averaged in 2019.

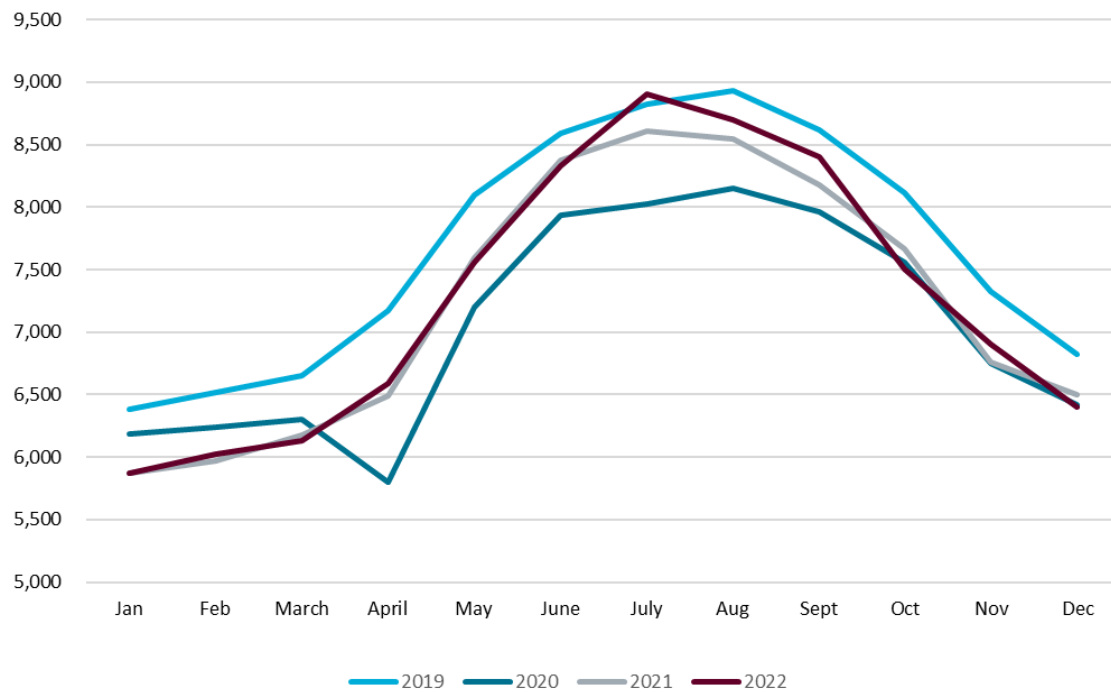
Manufacturing, the other primary job sector within the goods producing category, remained flat from November to December and year-over-year. As recently as 2015, there were twice as many direct Oil and Gas jobs in Anchorage as Manufacturing jobs. In December of 2022, however, the number of Manufacturing jobs (1,800) matched the entire Natural Resources and Mining sector jobs (1,800), including direct Oil and Gas jobs (1,500).

GOODS PRODUCING JOBS (CONT)

Goods Producing Jobs
Municipality of Anchorage 2019-Present



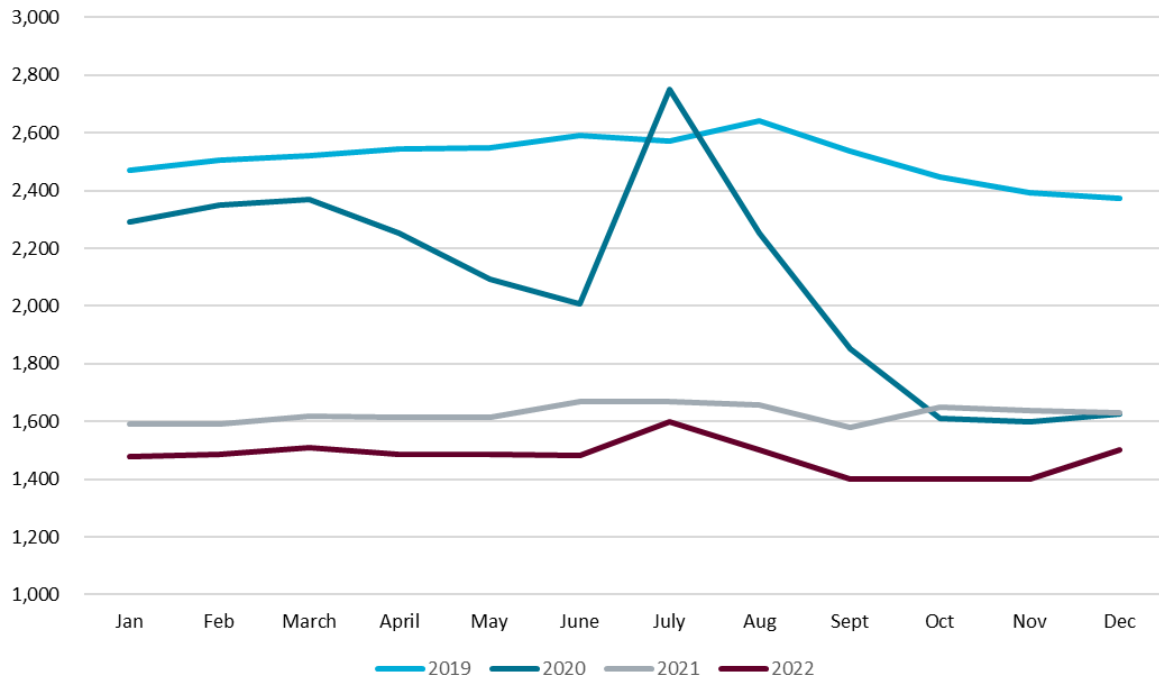
Construction Employment
Municipality of Anchorage 2019-Present



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

GOODS PRODUCING JOBS (CONT)

Oil & Gas Employment
Municipality of Anchorage 2019-Present



SERVICE PROVIDING JOBS

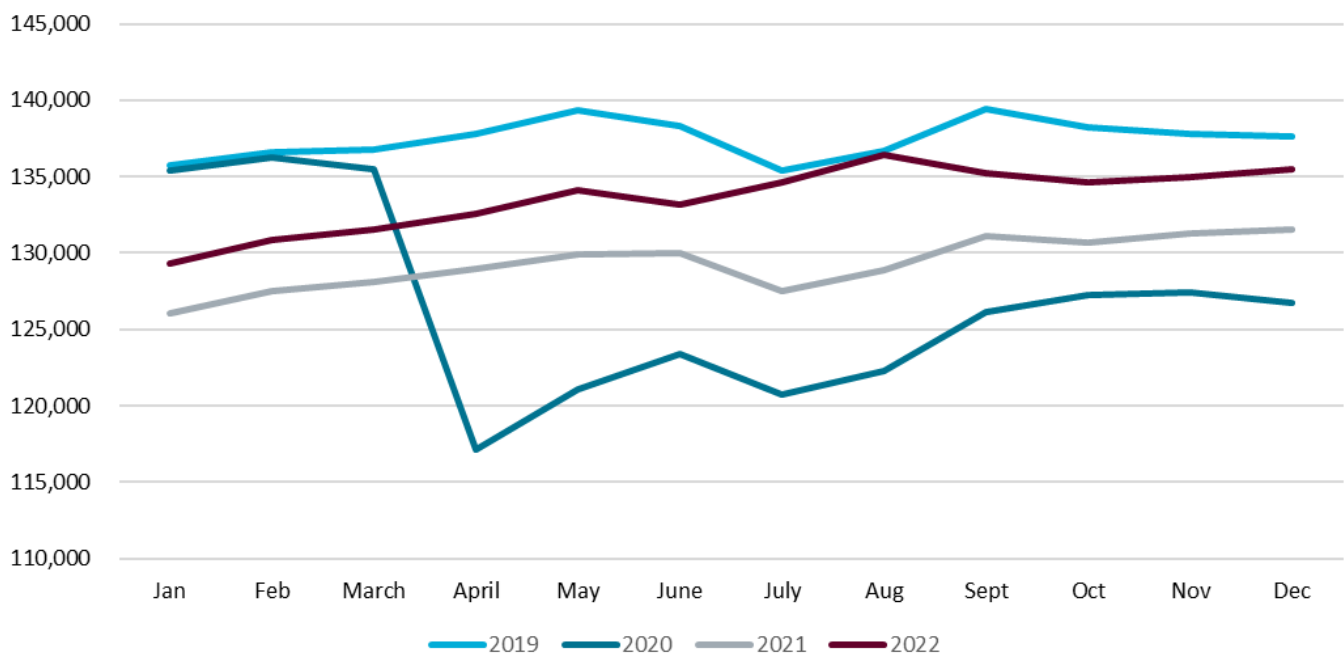
The services providing category represents all jobs that provide services or intangible goods, which is over 90% of available jobs, and it is where most of Anchorage's economic activity occurs. In December, Anchorage had 135,500 jobs in this sector, an increase of 3,900 as compared to December in 2021 but stubbornly below 2019 levels, when we had 137,500 service providing jobs in December.

A major share of year-over-year growth continues to come from the Leisure & Hospitality sector, which boasted 1,200 more jobs compared to December 2021, good for an 8% increase in sector employment.

The Transportation/Warehouse/Utilities sector also continues to experience strong growth, adding 1,200 jobs compared to November of last year representing a 10.3% increase over the past 12 months. The Transportation/Warehouse/Utilities sector is remarkable because it is both the only private industry sector consistently showing net job gains since 2019, and it hasn't just grown a little, it's expanded by 18.7% compared to December of 2019.

Health care employment has barely budged throughout 2022 with an average of 20,300 jobs for the year and an estimated 20,300 jobs in December. 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.

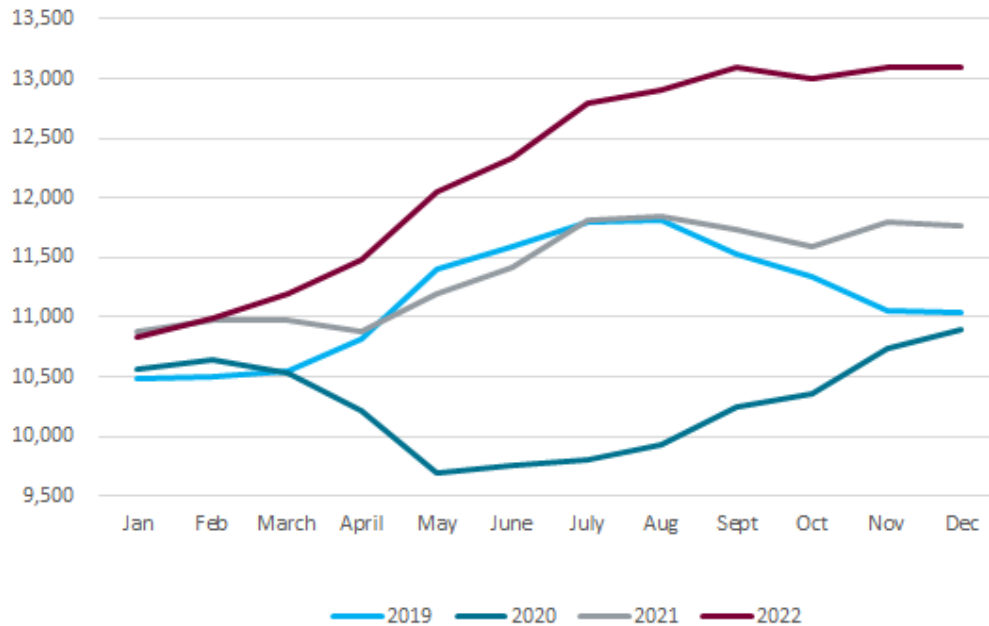
Services Providing Jobs
Municipality of Anchorage 2019-Present



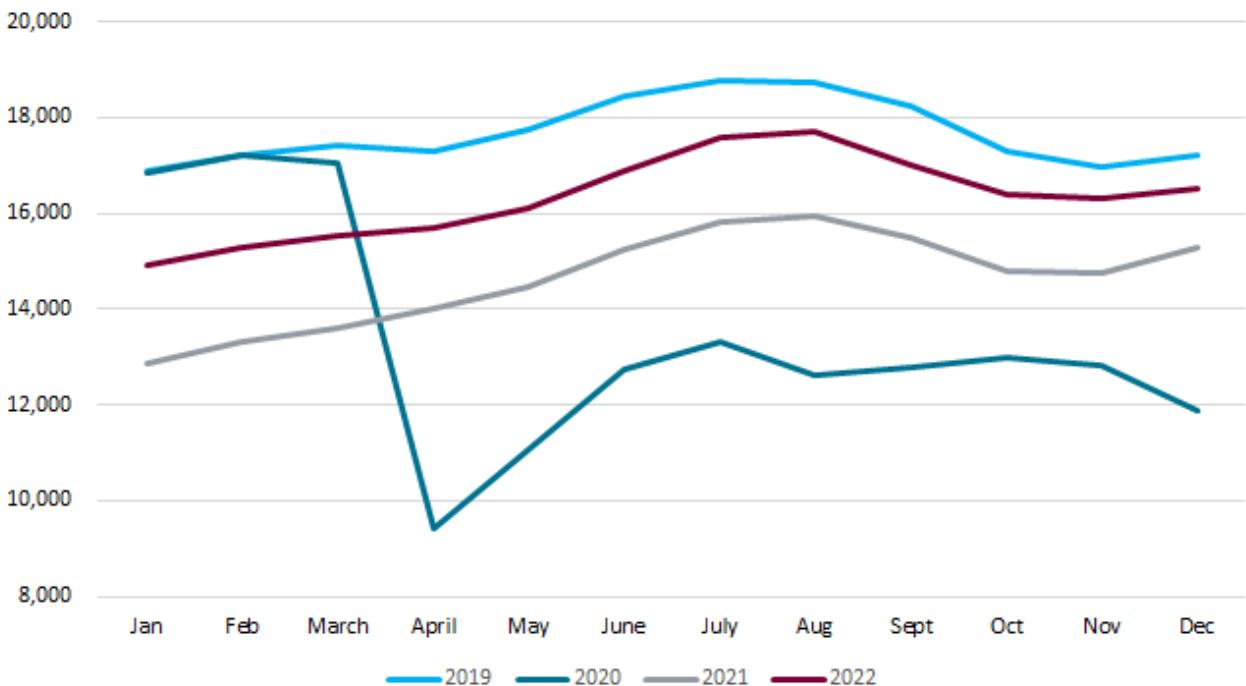
All data sourced from the Alaska Department of Labor and the U.S. Bureau of Labor Statistics.

SERVICE PROVIDING JOBS (CONT)

Transportation/Warehouse/Utilities Employment
Municipality of Anchorage 2019-Present



Leisure & Hospitality Employment
Municipality of Anchorage 2019-Present



TOP JOB OPENINGS BY OCCUPATION

#1 Registered Nurses

Average annual salary:	Total Ads:
\$83,200	3,430

#2 Stockers and Order Fillers

Average annual salary:	Total Ads:
\$35,727	2,270

#3 Retail Salesperson

Average annual salary:	Total Ads:
\$ 31,200	2,174

#4 Secretaries and Administrative Assistants

Average annual salary:	Total Ads:
\$40,159	1,783

#5 Social and Human Service Assistants

Average annual salary:	Total Ads:
\$41,600	1,752

These numbers represent average salary and number of posted positions for each occupation in December.

TOP ALASKA EMPLOYERS POSTING JOBS IN ANCHORAGE/MAT-SU.

Providence Health & Services - 3,088

State of Alaska - 1,825

University of Alaska - 1,070

Alaska Native Tribal Health Consortium - 995

Municipality of Anchorage - 866

Anchorage School District - 775

GCI Communication - 656

Southcentral Foundation - 551

The Alaska Club - 438

Alaska Teacher Placement - 395

These numbers represent active job postings in December.

UNEMPLOMENT TAKEAWAY

Anchorage dipped down to its lowest unemployment levels in over 40 years in August and September (2.9%), while October and November ticked up ever so slightly (to 3.1% and 3.3%, respectively). December 2022 saw a slight reduction, back to 3.1%. December also saw the active labor force (people that are employed or actively searching for employment) increase by 500 over November. Out of a labor force of about 155,500 people, only about 4,850 are unemployed, showing that Anchorage remains a very tight labor market.

- Comparison, in 2019, after 5 consecutive years of workforce contraction, Anchorage averaged 148,650 people in our workforce, of which an average of 6,700 were unemployed, producing a (historically low) unemployment rate of 4.5%.
- Fast forward to 2022. Despite a decline in working age population, our tight labor market has helped encourage people to work, and in 2022 our average workforce grew to 152,900 and unemployment fell to 3.6%.

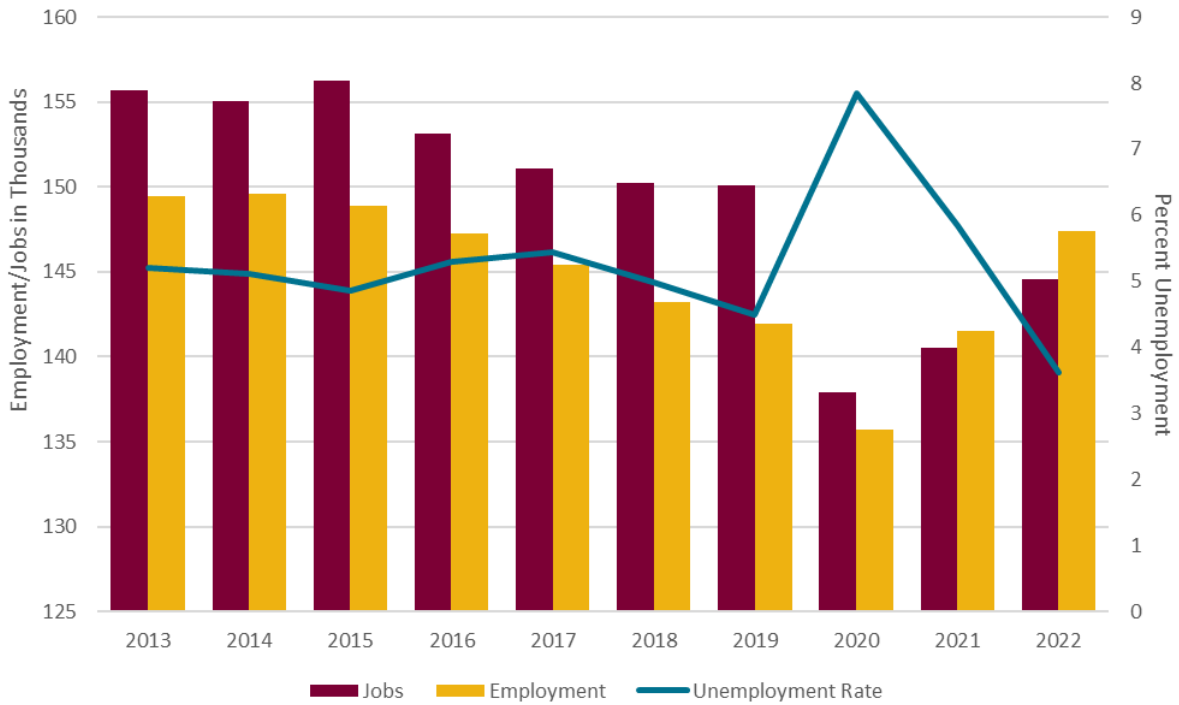
Looking at workforce or unemployment numbers alone, one might be tempted to think the Anchorage economy has more than recovered from the COVID-19 pandemic. Unfortunately, there remain several major reasons for concern.

- While our workforce has grown by more than 4,000 since 2019, we have about 5,000 fewer jobs and more than 1,000 fewer people trying to find work.
- Only a handful of industries have recovered to pre-pandemic employment levels while most still lag their 2019 figures substantially.
- This is due more to the absence of qualified applicants to positions than a lack of demand for industries' goods and services.
- How can we have a larger workforce, lower unemployment, and still have fewer jobs? Excellent question. In the labor force, employment/unemployment figures refer to how many Anchorage residents are working, including remote work for a firm outside of Anchorage, as well as entrepreneurs, independent contractors, and a few other categories that are not captured by industry jobs reports. It does not, however, include Anchorage based jobs held by nonresident seasonal workers or other people who reside outside of the Municipality, while those jobs are included in Anchorage 'jobs' reports. As a rule of thumb, if the statistic is focused on the job, it focuses on "where the work lives" if the statistic is focused on the person doing the job, it focuses on "where the person lives".
- Anchorage's higher employment combined with fewer jobs could mean we have fewer nonresident seasonal workers, that fewer people are commuting into Anchorage for work, more people live in Anchorage but commute virtually or in-person to a job that is located elsewhere, more people are becoming entrepreneurs, independent contractors, or taking other unclassified work, or most likely, some combination of the above.

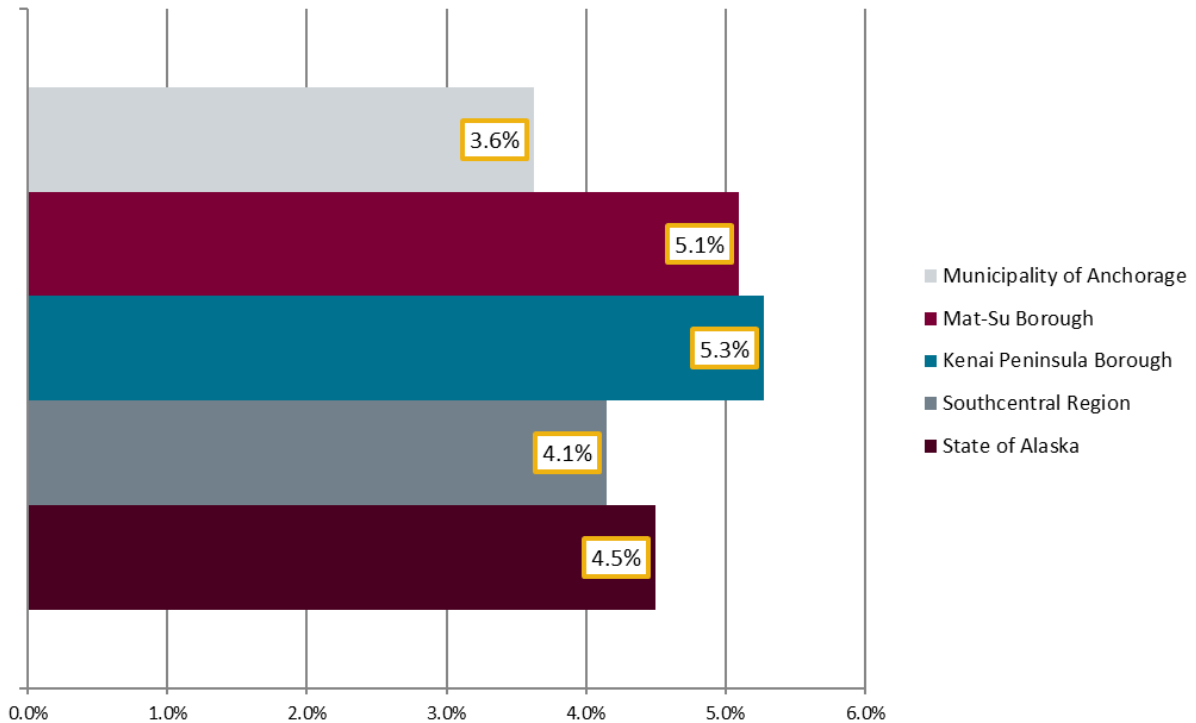
Whatever the cause(s), Alaska and Anchorage employers are struggling to attract the workforce necessary to take full advantage of growth opportunities present today and on the immediate horizon.

UNEMPLOMENT TAKEAWAY

Anchorage 'Employment' vs 'Jobs'



2022 Average Unemployment Rate



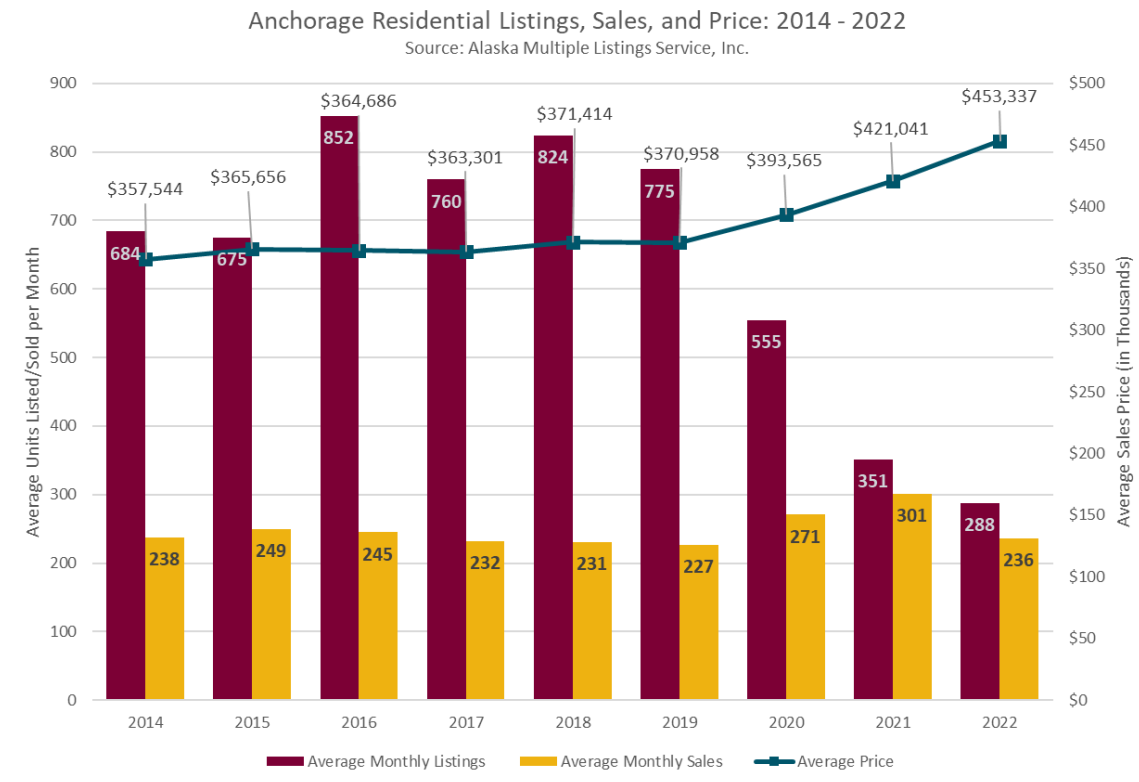
ANCHORAGE SINGLE-FAMILY HOME LISTINGS

Anchorage saw 243 new residential home listings in the month of December, a decrease of 53 compared to November. This December had 20 more listings compared to December of 2021 but remains at 36.6% of the average December listings in the 10 years preceding the pandemic. Only 152 homes were sold in December of 2022, and they went for an average price of \$452,633. That is less than half the sales compared to December 2021, while average sales prices increased \$32,600.

Comparing 2022 annual totals to 2019 reveals a seismic change in the Anchorage housing market since the start of the COVID pandemic:

	2019	2022	Percent Change
Avg. Active Listings	775	288	-62.8%
Total Sales	2,719	2,843	+ 4.6%
Avg. Price	\$370,958	453,521	+ 22.3%

In addition to any other factors, low interest rates helped 2020 and 2021 set new highs for the average price and number of units sold since at least 2008 in 2020 and 2021. It is notable that despite substantial increases in interest rates over the course of 2022 and a continued decline in available units, the number of units sold remained in line with 2010-2019 levels and average prices hit new all-time highs.



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