



NOVEMBER 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.

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.

NOVEMBER 2022 VS NOVEMBER 2021 MONTHLY JOB CHANGES

↑		TOTAL JOBS 144,900
↑		NATURAL RESOURCES & MINING + 100
↑		RETAIL TRADE + 100
↑		TRANS/WAREHOUSE/ UTILITIES + 1,100
↑		FINANCIAL ACTIVITIES + 100
↑		EDUCATIONAL & HEALTH SERVICES + 200
↑		FOOD SERVICE & DRINKING PLACES + 500
↑		ACCOMMODATION + 300
↑		OTHER SERVICES + 100
↑		LOCAL GOVERNMENT + 100
↓		OIL & GAS - 100
↓		CONSTRUCTION - 100
↓		MANUFACTURING - 100
↓		WHOLESALE TRADE - 300
↓		INFORMATION - 300
↓		FEDERAL GOVERNMENT - 100
↓		STATE GOVERNMENT - 200
↓		LOCAL EDUCATION - 100

MONTHLY SUMMARY

Anchorage continues to inch towards a full recovery from the COVID-19 pandemic. Preliminary jobs numbers for November 2022 show 144,900 jobs in Anchorage, an increase of 3,000 over November 2021, down slightly from October's year-over-year improvement, which showed a 3,500 job increase over 2021.

Though Anchorage's rate of recovery may have slowed slightly compared to 2021, it continues to gain ground relative to pre-pandemic job numbers. November 2022 numbers have closed within 4,800 jobs of November 2019 while October 2022 trailed October 2019 by 5,300 jobs.

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 150,000 jobs.

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 = 150k jobs)
- The pandemic knocked out another 12k jobs (2020 = 138k jobs)
- 2021 recovered about 2.5k jobs (up to 140.5k jobs)
- 2022 has recovered roughly 4.5k jobs (up to 144.9k jobs)
- In 2022, Anchorage is more than 5k jobs below the lowest jobs years of 2007-2019
- In 2022, Anchorage is 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.

NOVEMBER GAINS

Transportation, Warehouse, Utilities + 1,200
Educational & Health Services + 800
Leisure & Hospitality + 1,600*
*(includes 'Food Services & Drinking Places' + 700
and 'Accommodation' + 200)
Professional and Business Services + 500
Federal Government + 100

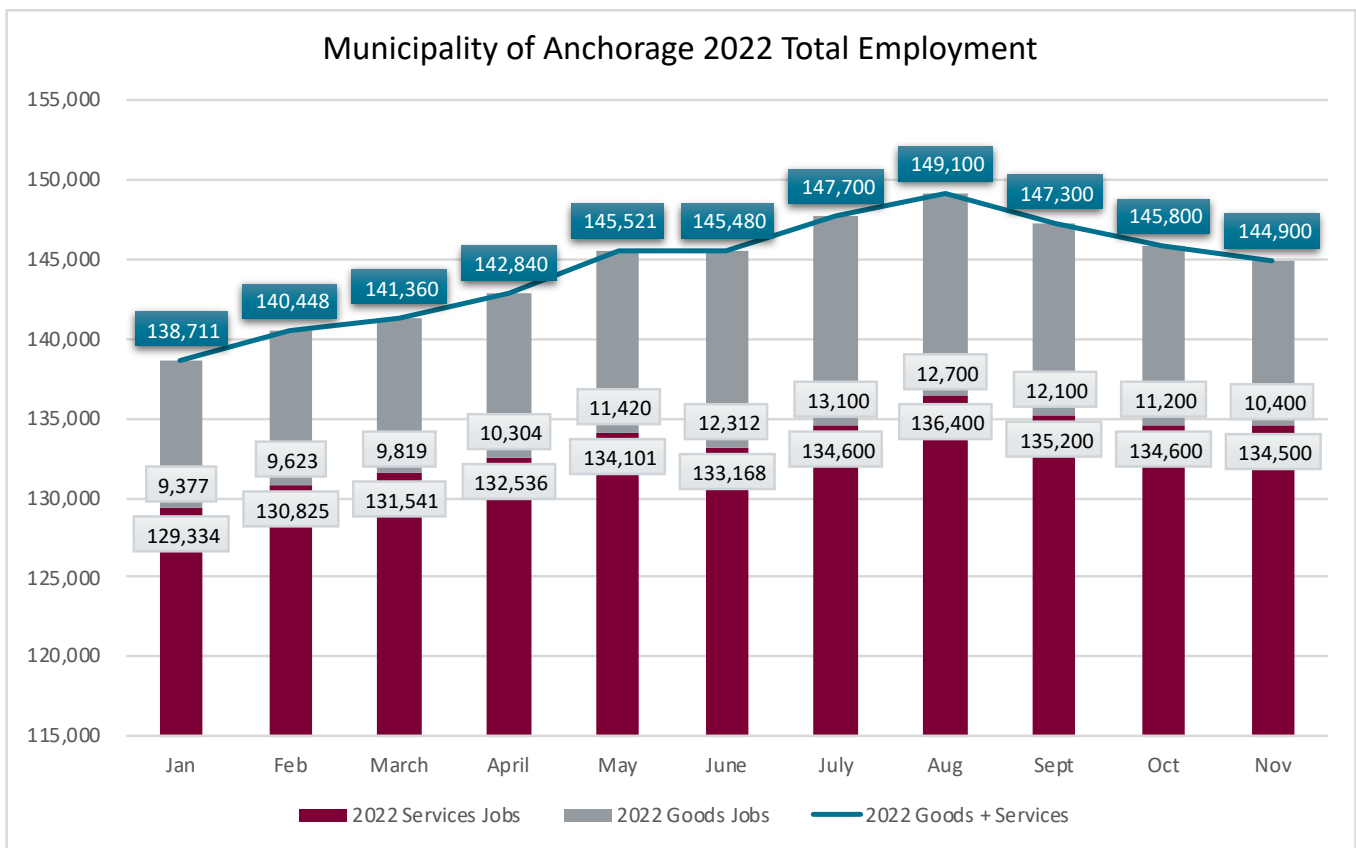
NOVEMBER LOSSES

Natural Resources and Mining – 300**
** (Oil and Gas accounts for 236 of 261 jobs lost in Natural Resources
and Mining)
Financial Activities – 200
Wholesale Trade – 200
Local Government & Education – 200
Information – 100

ANCHORAGE EMPLOYMENT

Anchorage's jobs total was 144,900 in November of 2022, showing an increase of about 3,000 jobs compared to November in 2021 but still 4,800 short of November 2019's pre-pandemic levels.

Anchorage and Mat-Su's largest employee-seekers continue to 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 are 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

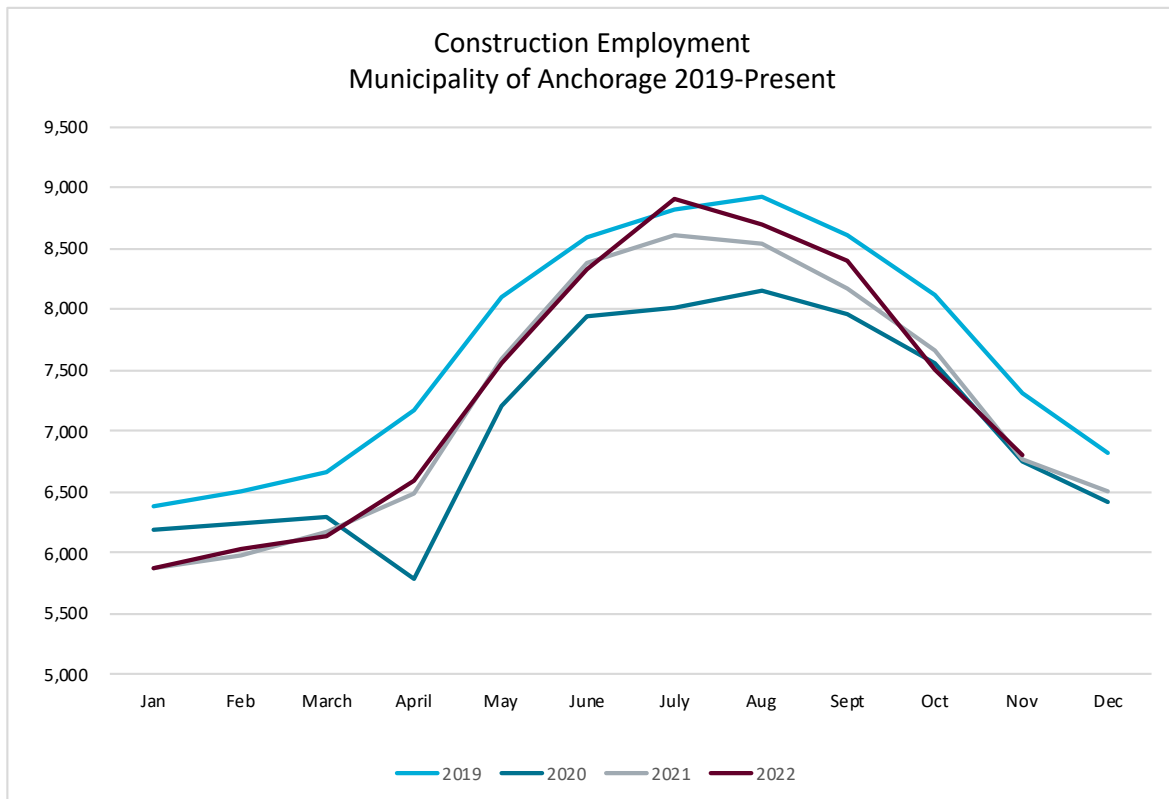
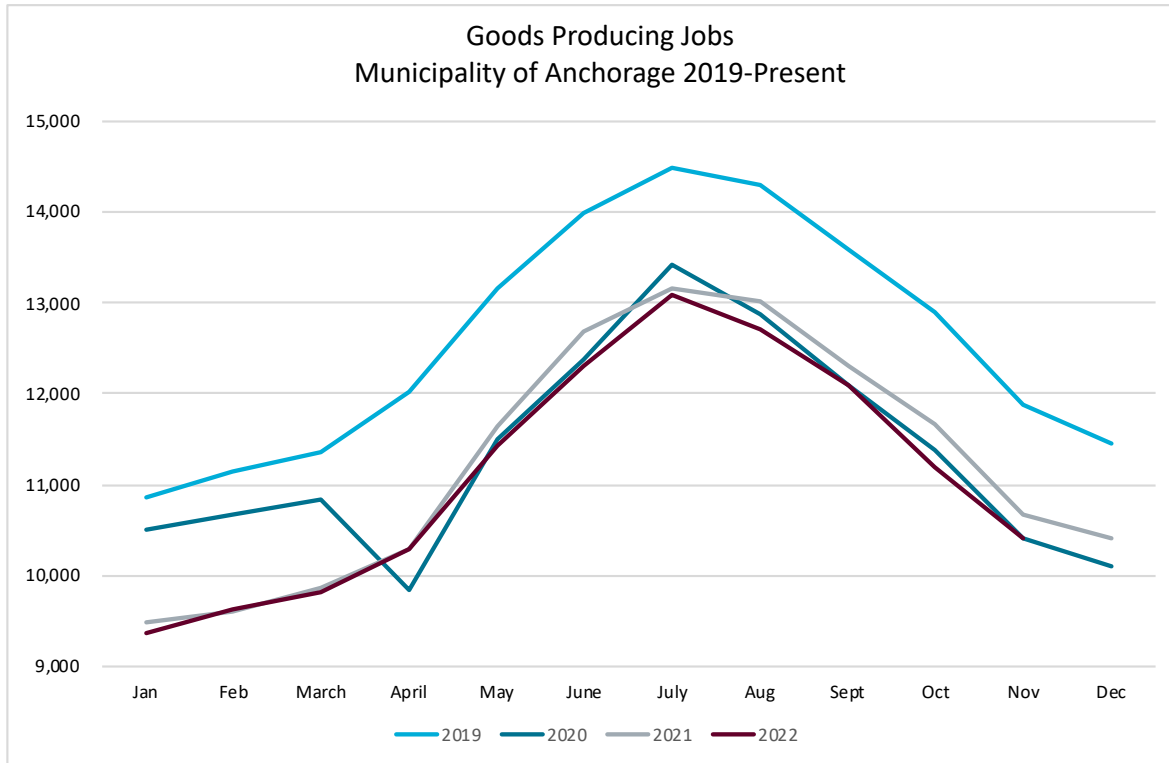
Anchorage's estimated 10,400 jobs in goods producing sectors for November was down by 800 from October and down 300 compared to November 2021. Anchorage's goods producing industries have struggled to make much progress on pandemic recovery, and remain in line with 2020 jobs totals, running slightly behind 2021 every month in 2022.

The month-over-month decrease follows expected seasonal trends in the Construction sector, which shed 700 jobs since October (fewer than expected). The 6,800 Construction jobs in November match the sector's performance in 2021, indicating that while the construction season peaked slightly sooner in 2022 than previous years, smaller seasonal losses in November allowed the sector to close some of the gap with pre-pandemic jobs relative to October. While 2022 had the fewest October Construction jobs that have been recorded since AEDC began tracking this data in 2001, November 2022 improved to the fourth fewest, boasting a handful more Construction jobs than November 2016, 2020, and 2021.

The year-over-year decrease in Goods Producing jobs is primarily driven by continued weak numbers in the Oil and Gas sector. Though Oil and Gas employment stabilized and remained flat from October to November in 2022, the sector was still 14.4% below November 2021 jobs. There has not been another month in recent history where Oil and Gas jobs were as low as they've been in 2022, with the sector averaging only 1,500 jobs year-to-date.

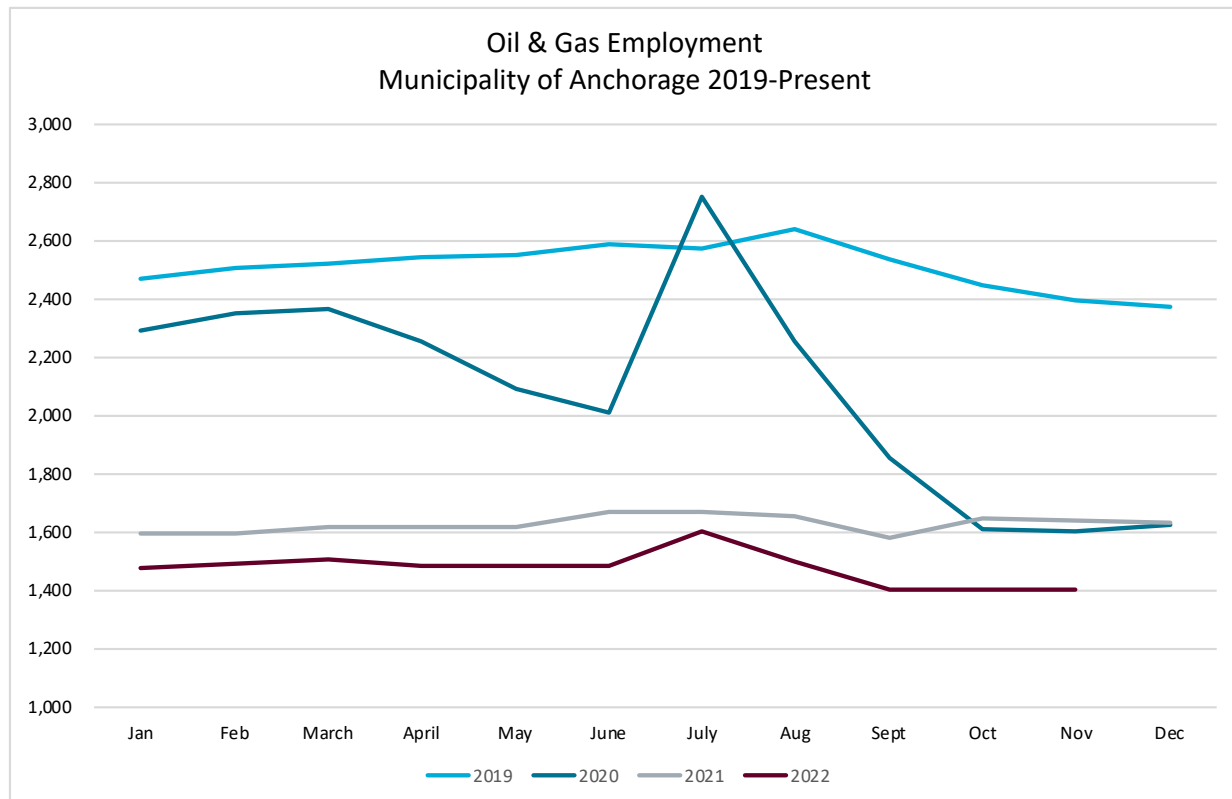
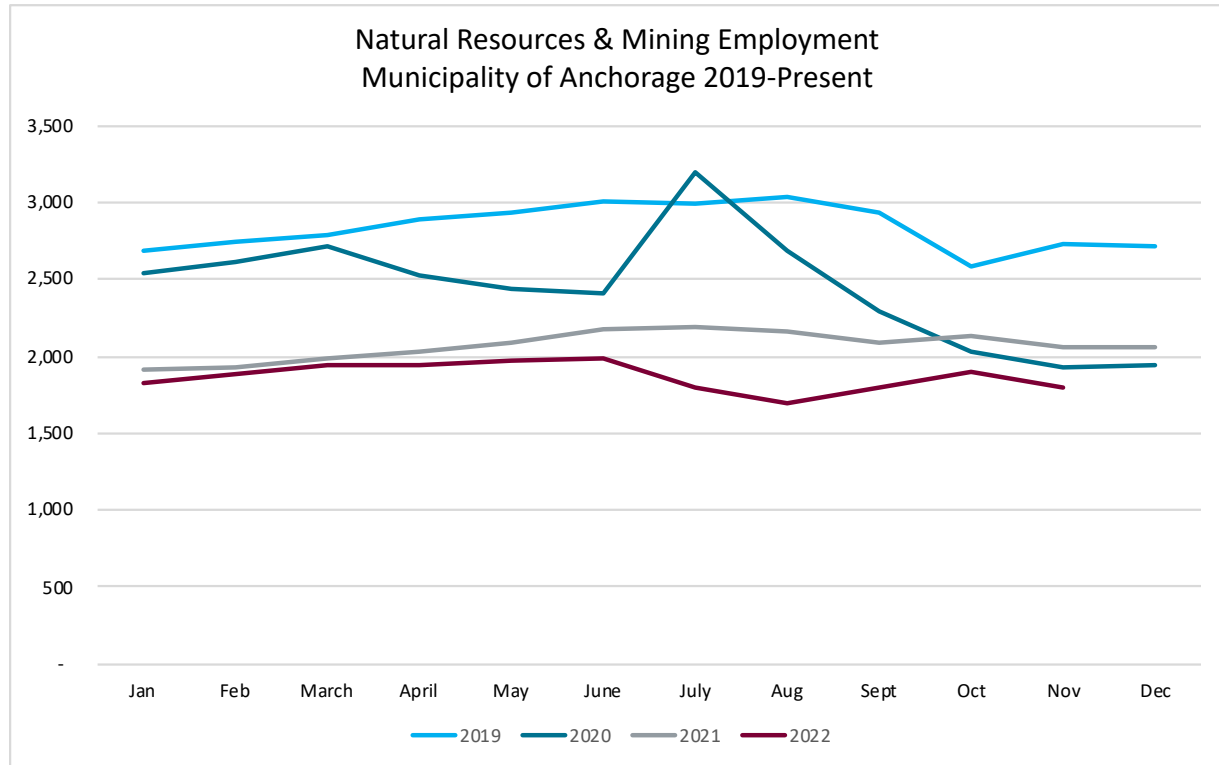
Manufacturing, the other primary job sector within the goods producing category, remained flat from October to November and year-over-year. As recently as 2015, there were twice as many direct Oil and Gas jobs in Anchorage as Manufacturing jobs. In November of 2022, however, the number of Manufacturing jobs (1,800) matched the entire Natural Resources and Mining sector jobs (1,800), including direct Oil and Gas jobs (1,400).

GOODS PRODUCING JOBS (CONT)



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

GOODS PRODUCING JOBS (CONT)

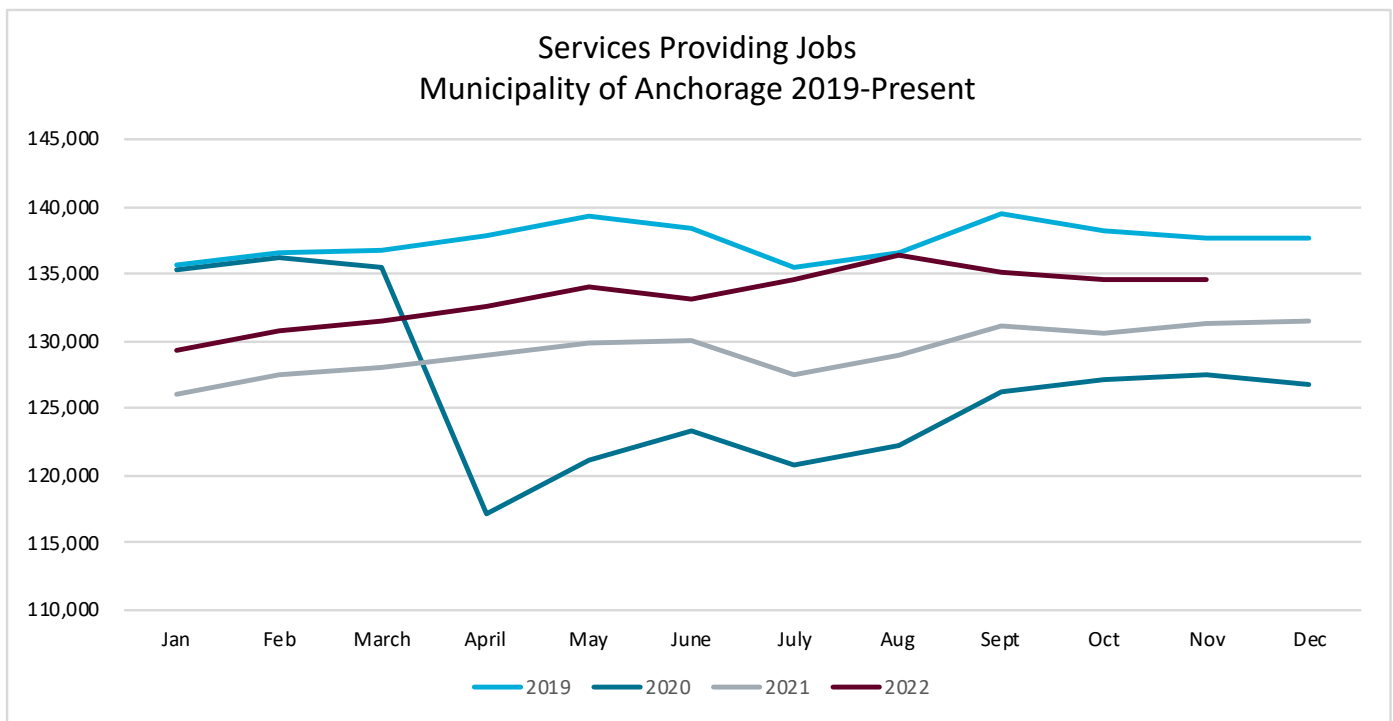


SERVICE PROVIDING JOBS

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 November, Anchorage had 134,500 jobs in this sector, an increase of 3,000 as compared to October in 2021 but stubbornly below pre-pandemic levels in 2019.

The largest share of year-over-year growth continues to come from the very strong tourism sector, with the Leisure & Hospitality sector boasting 1,600 more jobs compared to November 2021, good for a 10.6% 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. What is remarkable about the Transportation/Warehouse/Utilities sector is that it is not only the only sector showing net job gains since the start of the COVID-19 pandemic, it has grown by 17.6% compared to November of 2019.

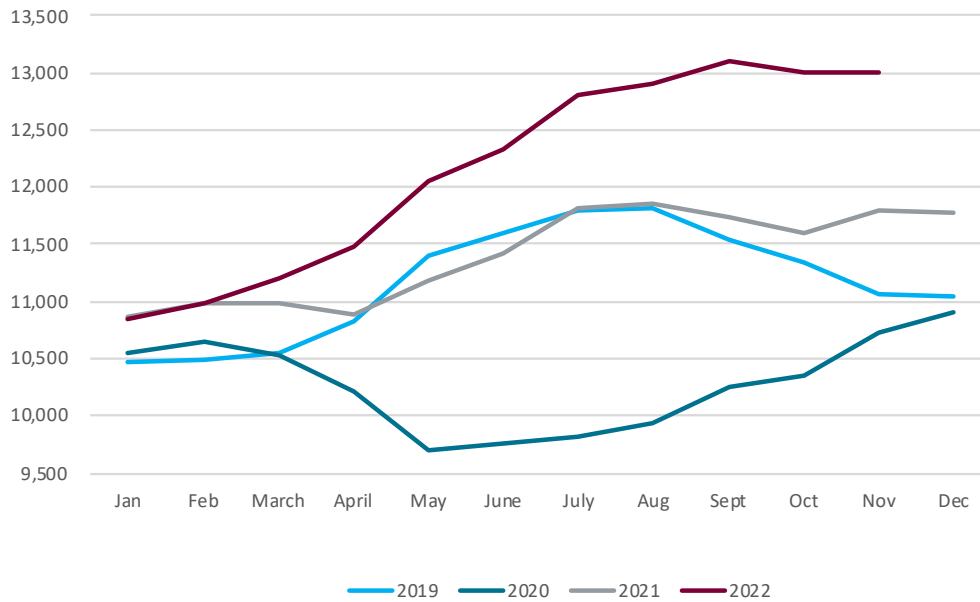
Health care employment has barely budged throughout 2022 with an average of 20,300 jobs year-to-date and an estimated 20,300 jobs in November, the third consecutive month at that figure. The primary challenge in this sector continues to be workforce shortages and a very tight labor pool for nearly all positions in health care facilities throughout Anchorage.



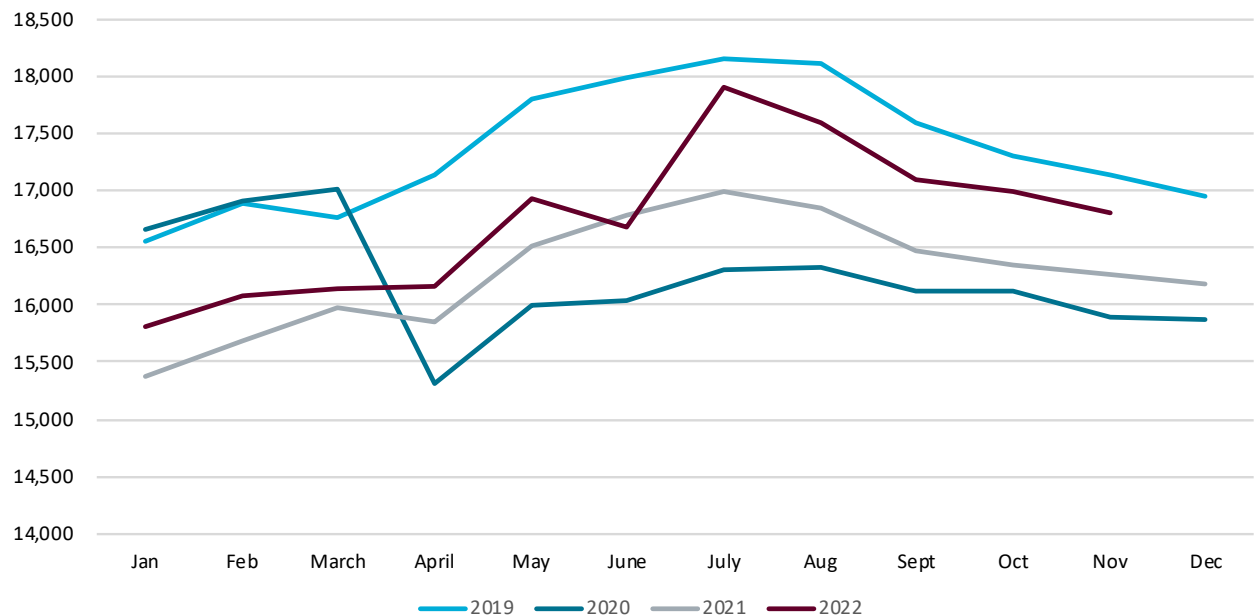
All data sourced from the Alaska Department of Labor and the U.S. Bureau of Labor Statistics.

SERVICE PROVIDING JOBS (CONT)

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



Professional & Business Services
Municipality of Anchorage 2019-Present



TOP JOB OPENINGS BY OCCUPATION

#1 Registered Nurses

Average annual salary:	Total Ads:
\$90,321	920

#2 Retail Salespersons

Average annual salary:	Total Ads:
\$33,647	563

#3 Social and Human Services Assistants

Average annual salary:	Total Ads:
\$ 43,836	452

#4 First- Line Supervisors of Retail Sales Workers

Average annual salary:	Total Ads:
\$41,600	444

#5 Stockers and Order Fillers

Average annual salary:	Total Ads:
\$35,880	438

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

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

Providence Health & Services - 743

Municipality of Anchorage - 336

University of Alaska - 253

Southcentral Foundation - 232

Anchorage School District - 216

Matanuska-Susitna Borough - 171

GCI Communication - 163

State of Alaska - 138

The Alaska Club - 137

Lithia Motors - 107

These numbers represent active job postings in November.

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). November also saw the active labor force (people that are employed or actively searching for employment) increase by 1,200 over October. Out of a labor force of about 155,000 people, only about 5,100 are unemployed, meaning that Anchorage remains a very tight labor market.

- For comparison, in November 2019, after 5 consecutive years of workforce contraction, Anchorage had about 148,100 people in our workforce, of which about 7,300 were unemployed, producing a (historically low) unemployment rate of 4.9%.
- Fast forward to November 2022. Despite no major influx of population, our tight labor market has helped bring people back into the workforce, and last month we had more Anchorage residents working or looking for work than any month since 2017 (155,100 in the workforce, or 4.7% growth since Nov 2019).
- While our workforce has experienced modest growth, our unemployed/seeking work population has shrunk by more than 40% since the start of the pandemic.

Looking at those numbers alone, one might be tempted to think Anchorage was on its way to climbing out of our pre-pandemic recession. Unfortunately, looking deeper, there remain several major reasons to be concerned about our low unemployment.

- Only a handful of industries have recovered to pre-pandemic employment levels while most still lag their 2019 figures substantially. Across all industries, Anchorage remains almost 5,000 jobs below our November 2019 total.

- 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 and a few other categories that are not captured by industry jobs reports. It does not, however, include Anchorage based jobs held by 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 that fewer people are commuting into Anchorage for work, more people live in Anchorage but work a job that is located elsewhere, more people are becoming entrepreneurs or taking other unclassified work, or most likely, some combination of the above.

- Where this becomes concerning is when you look for where the workforce to finish our recovery and grow into the future might come from.

- We had a handful more people looking for work in November than in August or September, but it remains well below the number of people looking for work in any month before 2022 for which AEDC has data (2009-2021).

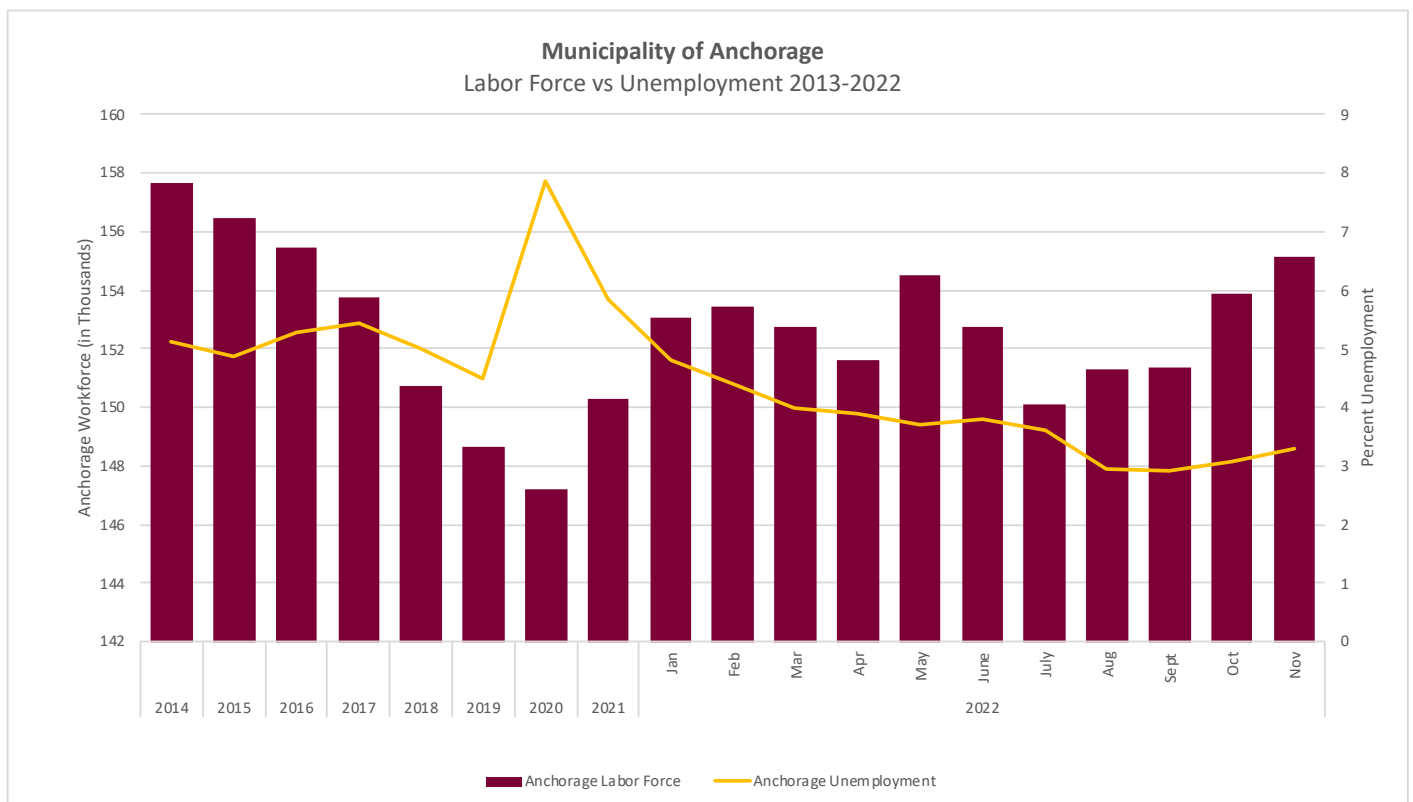
- We don't have people sitting at home because they don't want to work. In fact, history tells us we should be surprised that given our population we have this many people in the workforce already.

UNEMPLOMENT TAKEAWAY

- Despite maximizing our current workforce (relative to our population) every sector except Federal Government and Transportation and Warehousing still lags pre-pandemic job counts, and the lack of qualified applicants is the biggest barrier to that recovery.

- In 2019, Anchorage had already lost 3.8% of total jobs from our 2015 peak.
- So far in 2022, Anchorage has 7.4% fewer jobs than in 2015.
- Billions in Federal infrastructure spending is headed to Alaska, and even at pre-pandemic staffing, we would struggle to effectively spend those resources because of labor bottlenecks.
- Alaska, particularly Anchorage, badly needs to reverse the past several years of population decline if we want to enjoy economic growth or maximize the value of infrastructure spending. What is very concerning, however, is finding someplace for future new residents to live.

Other regions in Alaska experienced a similar trend of increasing (but still historically low) unemployment in November with the Mat-Su Borough climbing to 4.7% unemployment, the Kenai Peninsula Borough experiencing 5.3% unemployment and the State of Alaska experiencing 4.3% overall unemployment (5.1% Statewide if you exclude Anchorage). Employers across the state continue to struggle to fill positions at all levels of their organizations and many are utilizing national recruiting strategies to attract out-of-state workers to fill vacancies



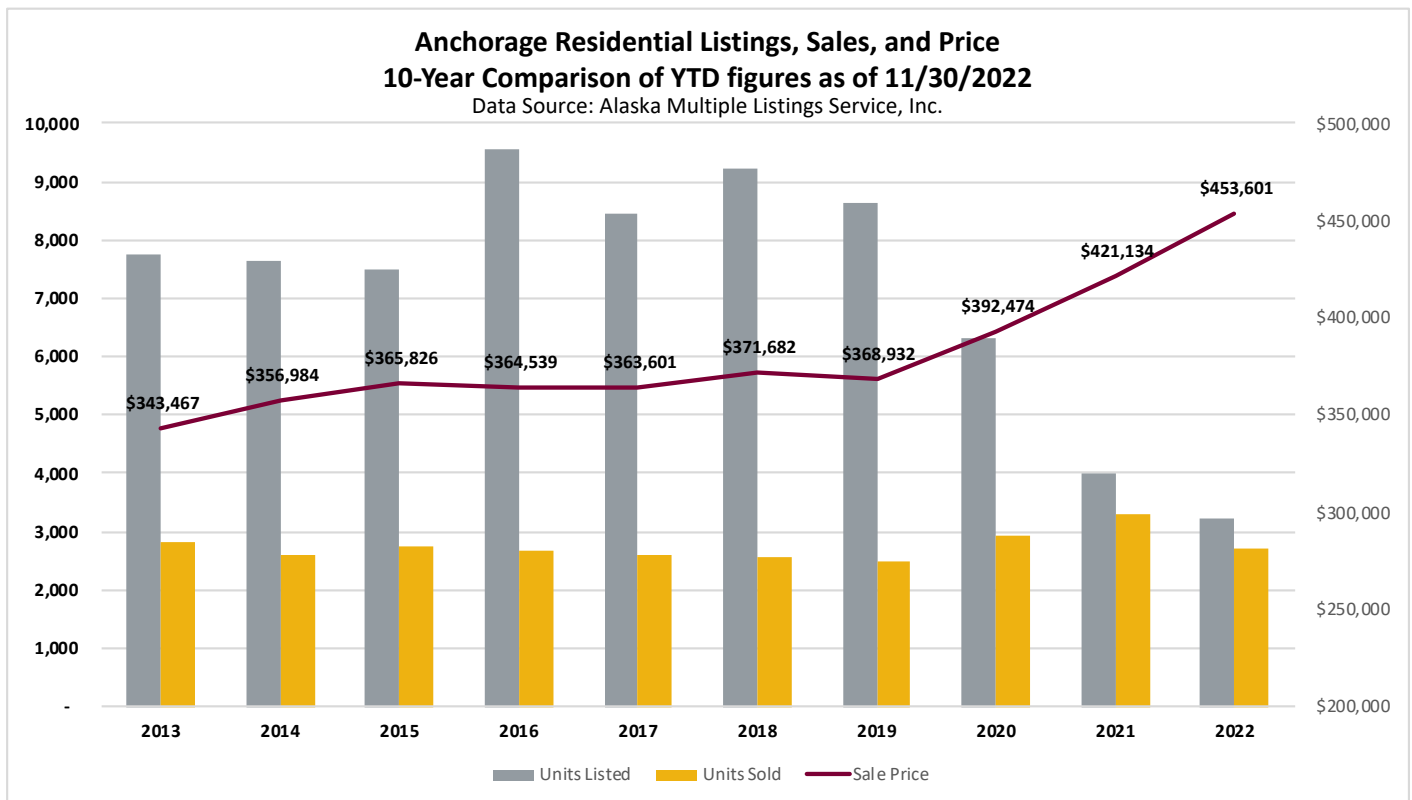
ANCHORAGE SINGLE-FAMILY HOME LISTINGS

Anchorage saw 296 new residential home listings in the month of November, a decrease of 36 compared to October. This November had 5 more listings compared to November of 2021 but remains at about 1/3 of the average November listings in the 10 years preceding the pandemic.

Only 188 homes were sold in November of 2022, and they went for an average price of \$446,469.

Despite strong demand, Anchorage continues to see significantly fewer residential listings year over-over-year, which traditional supply and demand economics indicates should increase average price.

- At the end of November in 2019, Anchorage had seen about 8,600 listings, 2,500 sales, and those homes sold for \$369K on average.
- During that same time period in 2022, we have had 3,200 listings, 2,700 sales, and a \$453,600 average sales price.
- Comparing those figures, Anchorage has experienced a 63% decrease in residential listings, an 8% increase in sales volume, and a 23% increase in sales price since 2019.
- These prices and limited availability of units are deeply concerning when paired with earlier observations which strongly suggest Anchorage and Alaska need to attract talented workforce in order to capitalize on our existing opportunities. (Not to mention our nationally average wages and already elevated cost of living.)



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