



AEDC
Anchorage Economic
Development Corporation

MAY 2023 EMPLOYMENT UPDATE



Sponsored by:



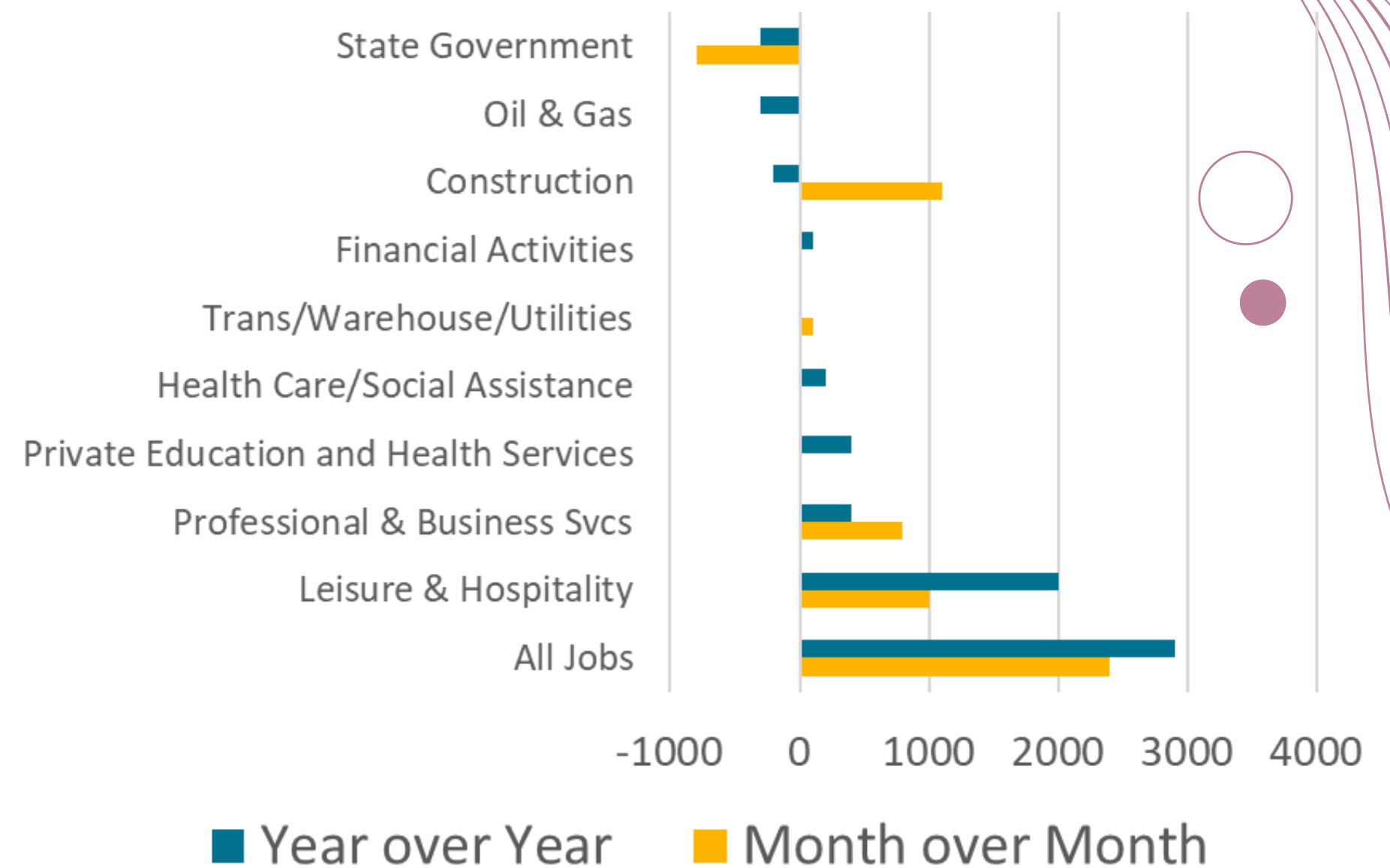
First National Bank
ALASKA
MEMBER FDIC

People AK

Job Gains & Losses May 2023

This chart shows the changes in the number of Anchorage jobs for selected industry sectors. Anchorage added about 2,900 net jobs from May 2022 to May 2023, and about 2,400 jobs from April to May this year.

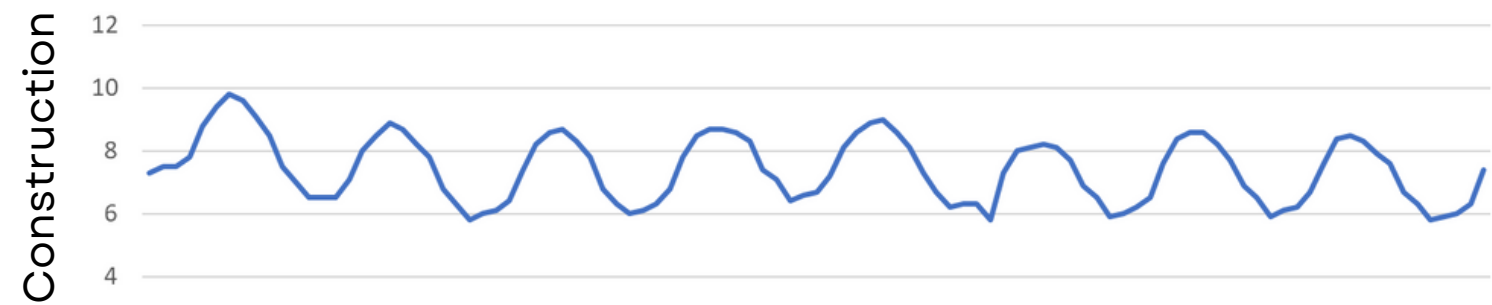
- Leading the way, Anchorage's Leisure & Hospitality sector posted strong gains of 2,000 jobs over May 2022 and 1,000 jobs over April 2023.
- Professional & Business Services also had a very strong month, adding 800 jobs over last year including 400 in the past month.
- The Transportation, Warehouse, and Utilities sector (one of the only sectors reporting more jobs in Anchorage since 2019) shook off a rough couple of months, posting its first job gains since December 2022 and matching the jobs count from May 2022.



- State Government reported the greatest job losses over either time period, losing 300 jobs compared to last May and 800 jobs from April. As a result, State Government jobs in Anchorage fell below 9,000 for the first time since 2001.
- Construction jobs remain down from their 2022 counts, but added 1,100 jobs last month and are now only 200 jobs behind May 2022.

Pandemic Performance & Recovery Curves 2015-2023

This page shows monthly job counts (in thousands) for 5 industry sectors from January 2015 to May 2023.



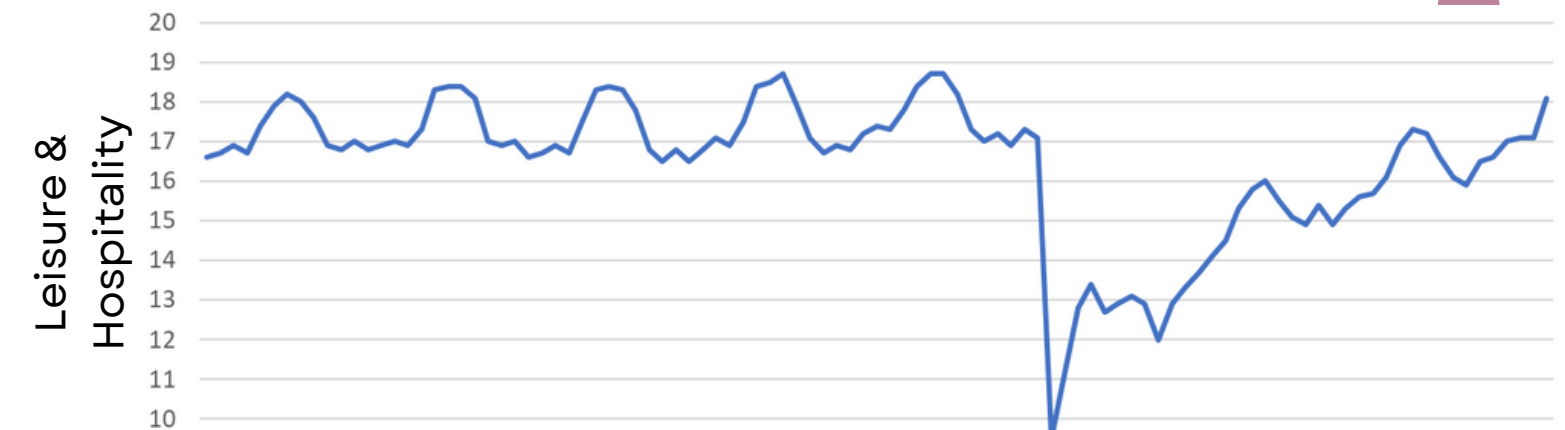
While Construction sector jobs didn't take the big hit several other sectors did due to pandemic containment measures, sector employment hasn't grown since either.



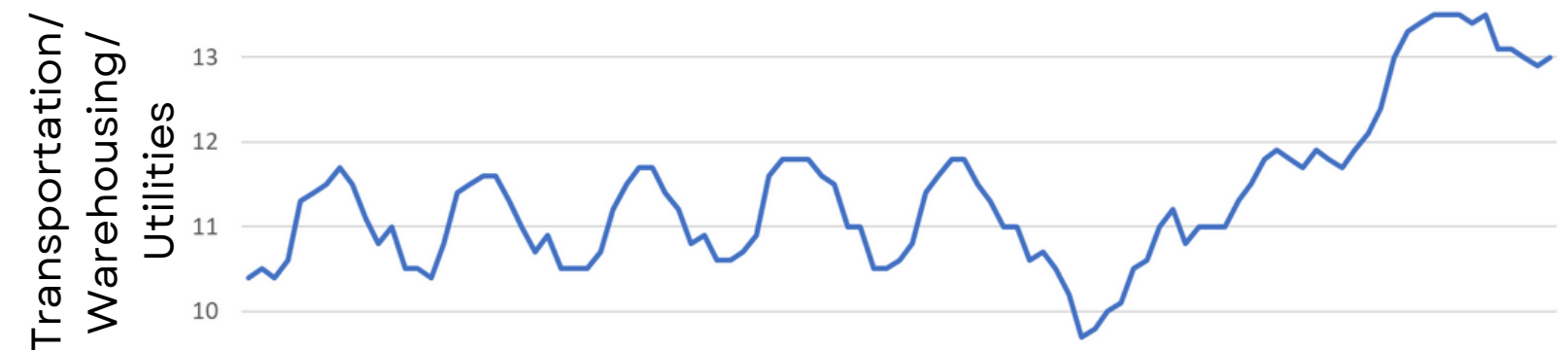
Oil & Gas didn't experience huge layoffs in April 2020 the way Leisure & Hospitality did, but the sector still lost 1/3 of its jobs in 2020, and hasn't recovered any of them. Looking back to 2015, direct Oil & Gas jobs are down more than 60%.



Like Oil & Gas, Professional & Business services was having a rough go even before COVID. Unlike Oil & Gas, however, Prof. & Biz Svcs has recovered all jobs lost in 2020 and is presently trending towards continued growth.

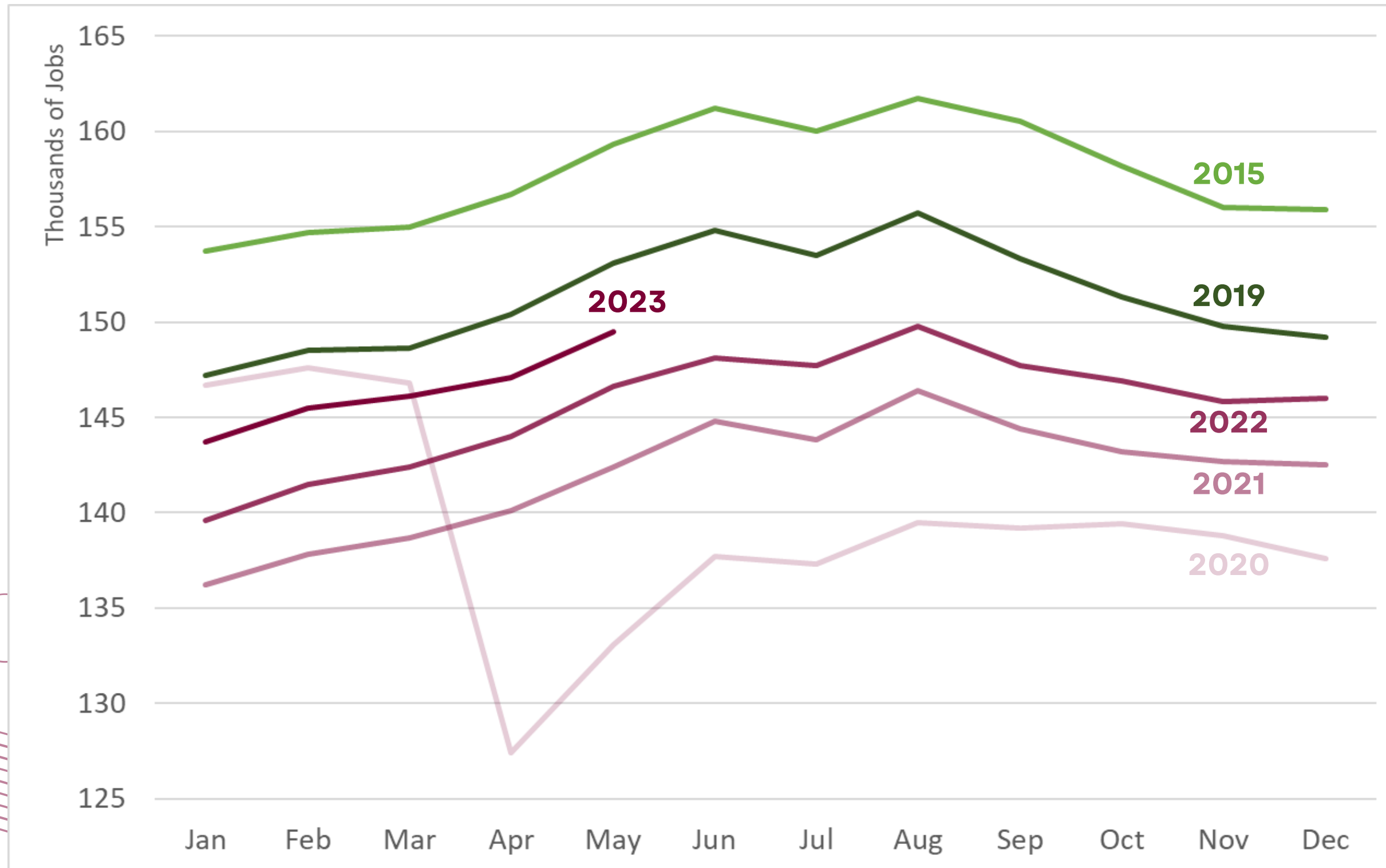


The Leisure & Hospitality sector, which includes restaurants and hotels, was the hardest hit by pandemic public health measures, losing 45% of sector employment from March to April 2020. Leisure & Hospitality employment has been recovering steadily for the past 3 years, and in May 2023 exceeded 2019 jobs in the same month for the first time.



Transportation, Warehousing, and Utilities has been a unique and valuable sector for the Anchorage economy. After a relatively minor hit to sector employment in 2020, the sector appears to have essentially skipped seasonal job losses for two years in a row, producing net 15% jobs growth since 2019 (while nearly every other sector is still trying to catch back up to 2019 job counts).

Jobs Recovery: All Sectors



Looking at the bright and dark green lines, you can see that Anchorage was down over 6,000 jobs from our 2015 peak in 2019.

Then the pandemic hit and the gradual decline in Anchorage jobs fell off a cliff in April 2020. About half those jobs came back in 2020, and thousands more were recovered in both 2021 and 2022.

While Anchorage has continued to add jobs in each month of 2023, we have not added jobs as quickly as we did in the same months in 2022. As a result, though January 2023 saw Anchorage start the year with a 4,100 job lead over 2022, by May 2023 that lead was down to 2,900.

Jobs vs Employment



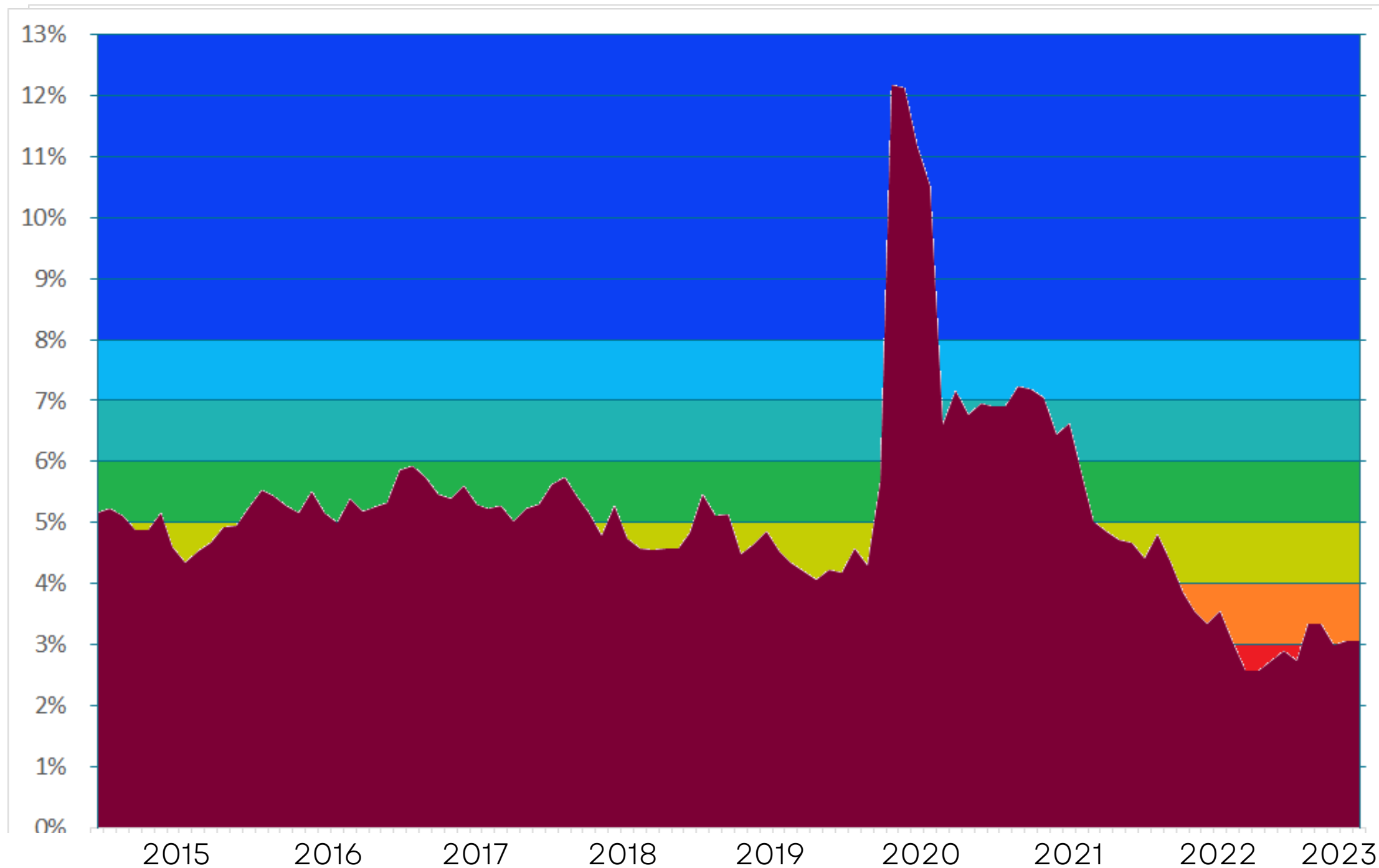
This graph goes back to 2015, and shows how pre-pandemic, Anchorage consistently had more "Jobs" than "Employment".

Jobs are counted based on where the work is located, employment is counted based on where workers reside. People who live in the Mat-Su Borough and work in Anchorage therefore count towards 'Anchorage Jobs', but NOT towards 'Anchorage Employment'.

Anchorage Jobs remain well behind 2019 levels while Anchorage Employment has not only surpassed 2019, it has nearly recovered to match our pre-recession peak from 2015.

ANCHORAGE UNEMPLOYMENT: 3.1%

In May, Anchorage unemployment held steady at 3.1%. In the last month, our labor force grew by 900; with 870 additional employed persons and 30 additional unemployed persons.



This graph shows Anchorage's monthly unemployment rate since 2015.

Historically, even in our highest jobs years, Anchorage unemployment hangs around 5-6%. Unemployment over 6% suggests we have too few jobs, while unemployment much below 5% suggests we have too few workers.

When we have too few jobs, we risk losing population as workers move to places where they are more in demand. This reduces our economies of scale and can hurt property values and our municipal tax base. High unemployment also means more people relying on public assistance, driving up public sector costs.

When we have too few workers, we make it difficult to start or grow businesses. This can drive up consumer costs, reduce the availability of goods and services, and prevent outside businesses from expanding into our market, or cause local businesses to look outside for opportunities to expand.



Thank you to our Diamond Investors!



CALISTA CORPORATION
www.calistacorp.com

