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Anchorage Economic
Development Corporation

JUNE 2023 EMPLOYMENT UPDATE



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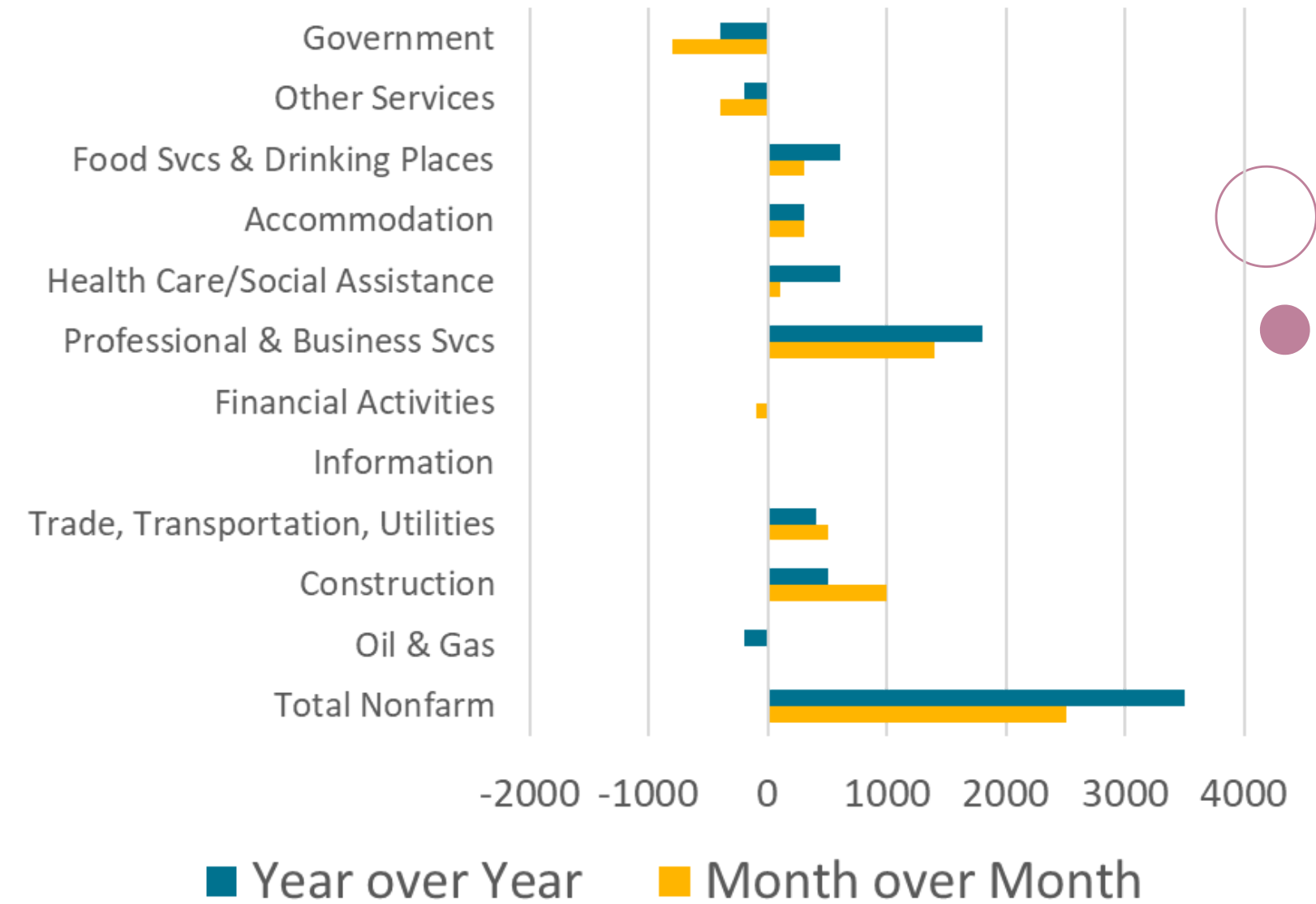
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Job Gains & Losses June 2023

This chart shows the changes in the number of Anchorage jobs for selected industry sectors. Anchorage added about 3,500 net jobs from June 2022 to June 2023, and about 2,500 jobs from May to June this year.

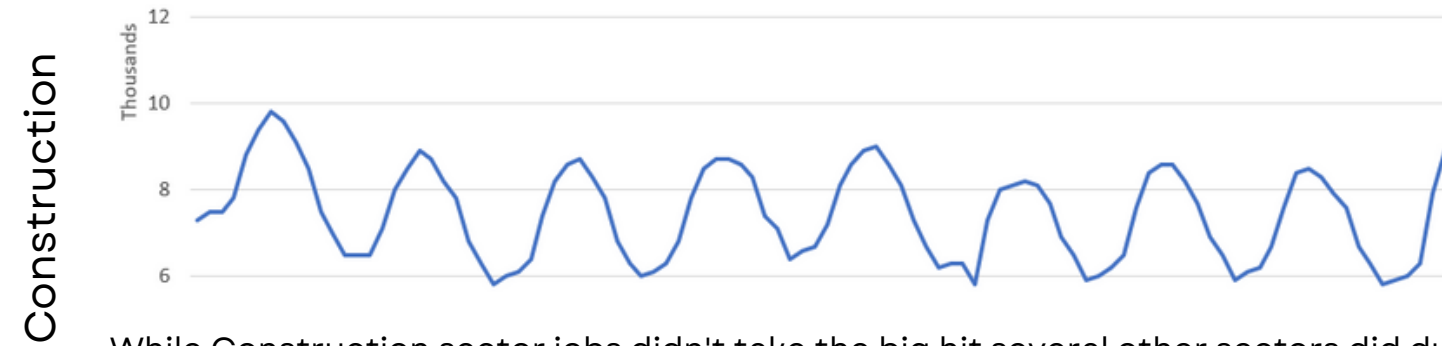
- Leading the way, Anchorage's Professional & Business Services sector posted strong gains of 1,800 jobs over June 2022 and 1,400 jobs over May 2023.
 - The 17,800 jobs the sector reported this June is the highest since August of 2016.
- Prof. & Biz Svcs includes Architecture and Engineering work that could signal large construction projects on the near horizon.
 - Construction employment in June was already at it's highest level since before COVID after adding 1,000 jobs from May to June 2023 (+500 jobs from June 2022 to June 2023).



- Adding 300 jobs May-June this year (and 300 jobs June 2022 to June 2023) Anchorage's Accommodation sector is now at its highest employment since 2018.
- Food Services added 300 jobs May-June (+600 since June 2022) and is also at its highest employment since 2019.
- Though not yet recovered to pre-pandemic levels, Health Care added 100 jobs May-June 2023 (+600 since June 2022) leading to the highest sector job count in more than 2 years.

Pandemic Performance & Recovery Curves 2015-2023

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

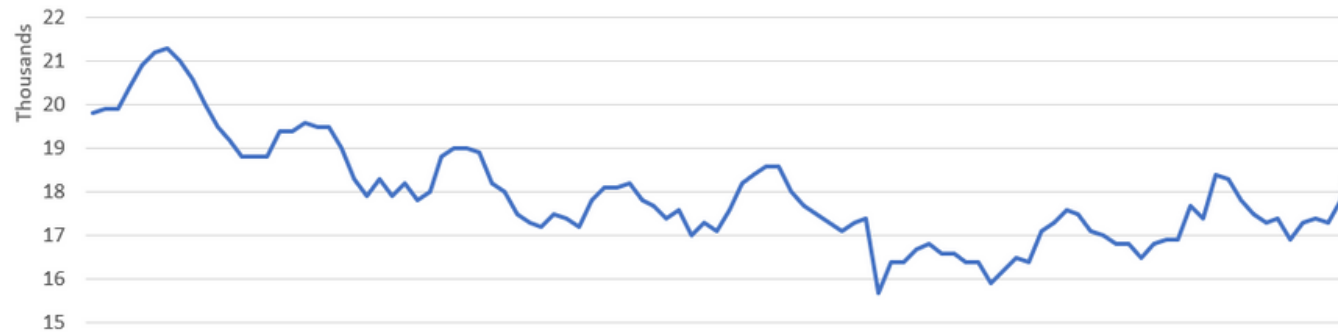


While Construction sector jobs didn't take the big hit several other sectors did due to pandemic containment measures, sector employment hasn't really grown since either.



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

Professional & Business Services



Like Oil & Gas, Professional & Business services was having a rough go even before COVID. Unlike Oil & Gas, however, Prof. & Biz Svcs had recovered all jobs lost in 2020 even before the big gains posted in June 2023.

Leisure & Hospitality



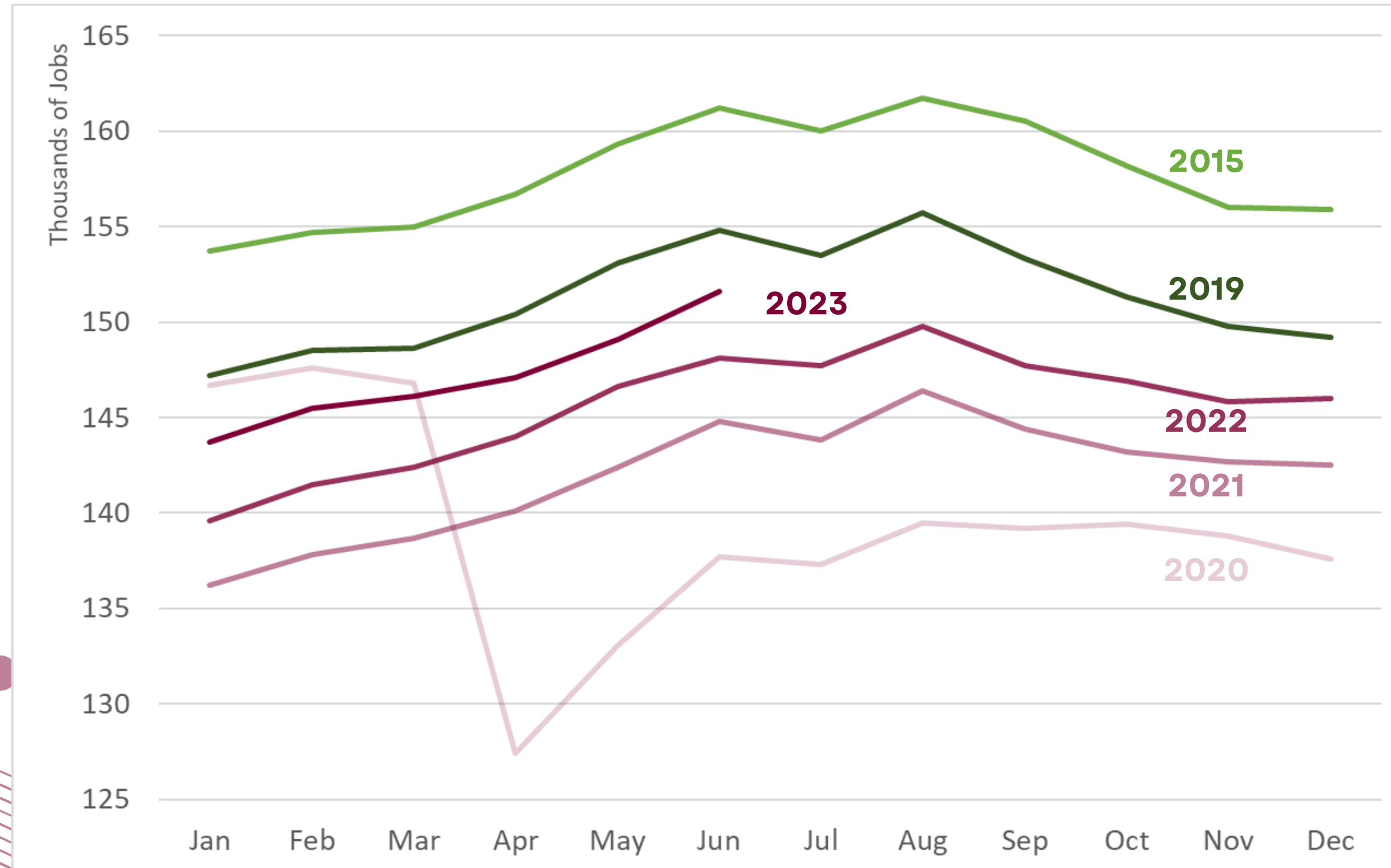
The Leisure & Hospitality sector, which includes restaurants and hotels, was the hardest hit by pandemic public health measures, losing 45% of sector employment from March to April 2020. Leisure & Hospitality employment has been recovering steadily for the past 3 years, and is almost even with pre-pandemic jobs counts.

Transportation/ Warehousing/ Utilities



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 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, April and May saw a slowdown in the rate of growth. After beginning 2023 +4,100 jobs ahead of 2022, May was only +2,500 jobs ahead. The strong June jobs report pushes Anchorage back to +3,500 jobs compared to 2022.

Jobs vs Employment



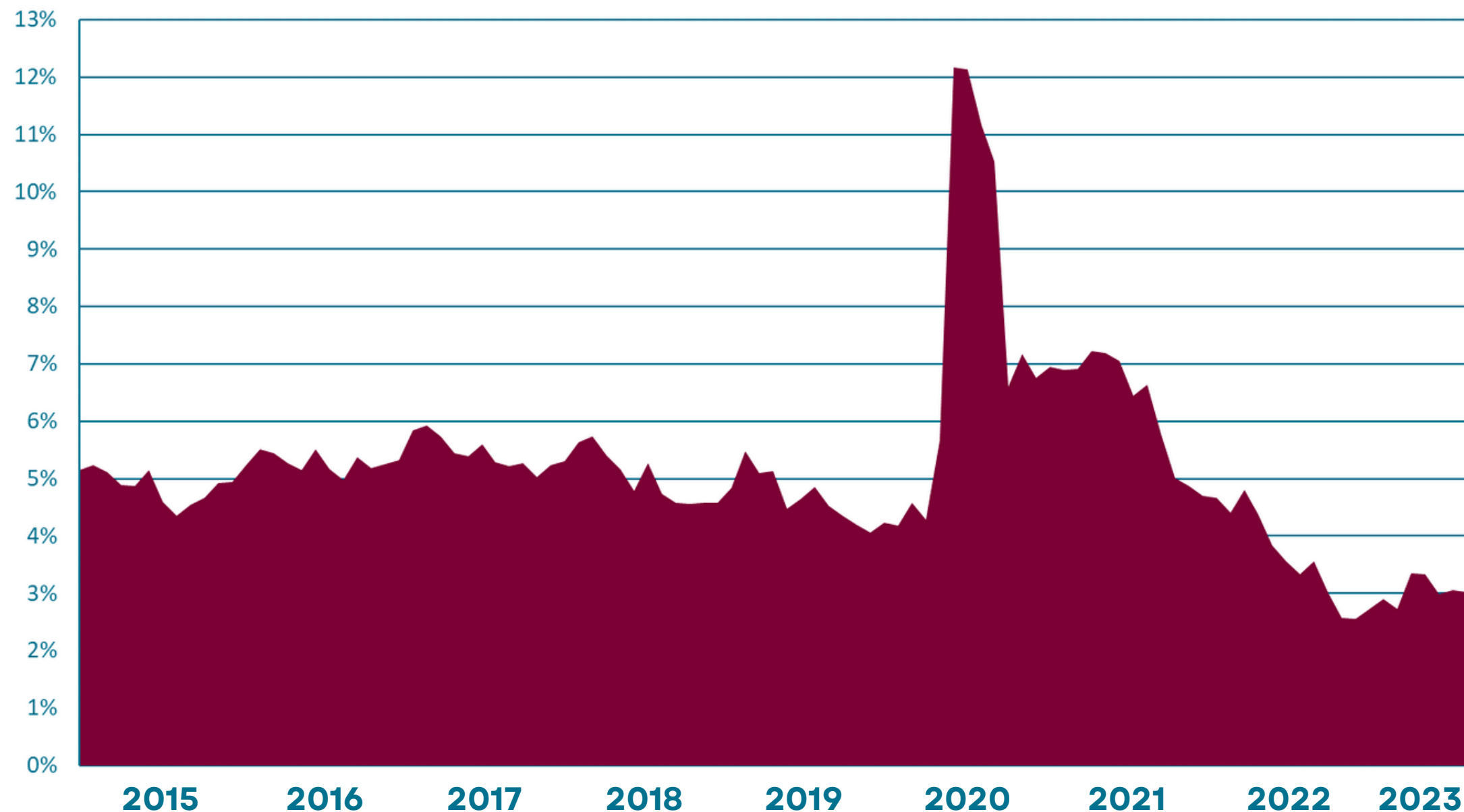
This graph goes back to 2015, and shows how pre-pandemic, Anchorage consistently had more "Jobs" than "Employment".

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' have caught up to within a couple thousand of 2019 levels but Anchorage 'Employment' has not only surpassed 2019, it remains thousands ahead of 2019 (even after declining from May to June 2023).

ANCHORAGE UNEMPLOYMENT: 3.6%

In June, Anchorage unemployment ticked up to 3.6%. In the last month, our labor force shrunk by 360; with 1,200 fewer employed persons and 840 additional unemployed persons. With jobs numbers continuing to go up, this modest increase in unemployment is probably good news for Anchorage businesses.



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.



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