



AEDC

Anchorage Economic
Development Corporation

SEPTEMBER 2023 EMPLOYMENT UPDATE



Sponsored by:



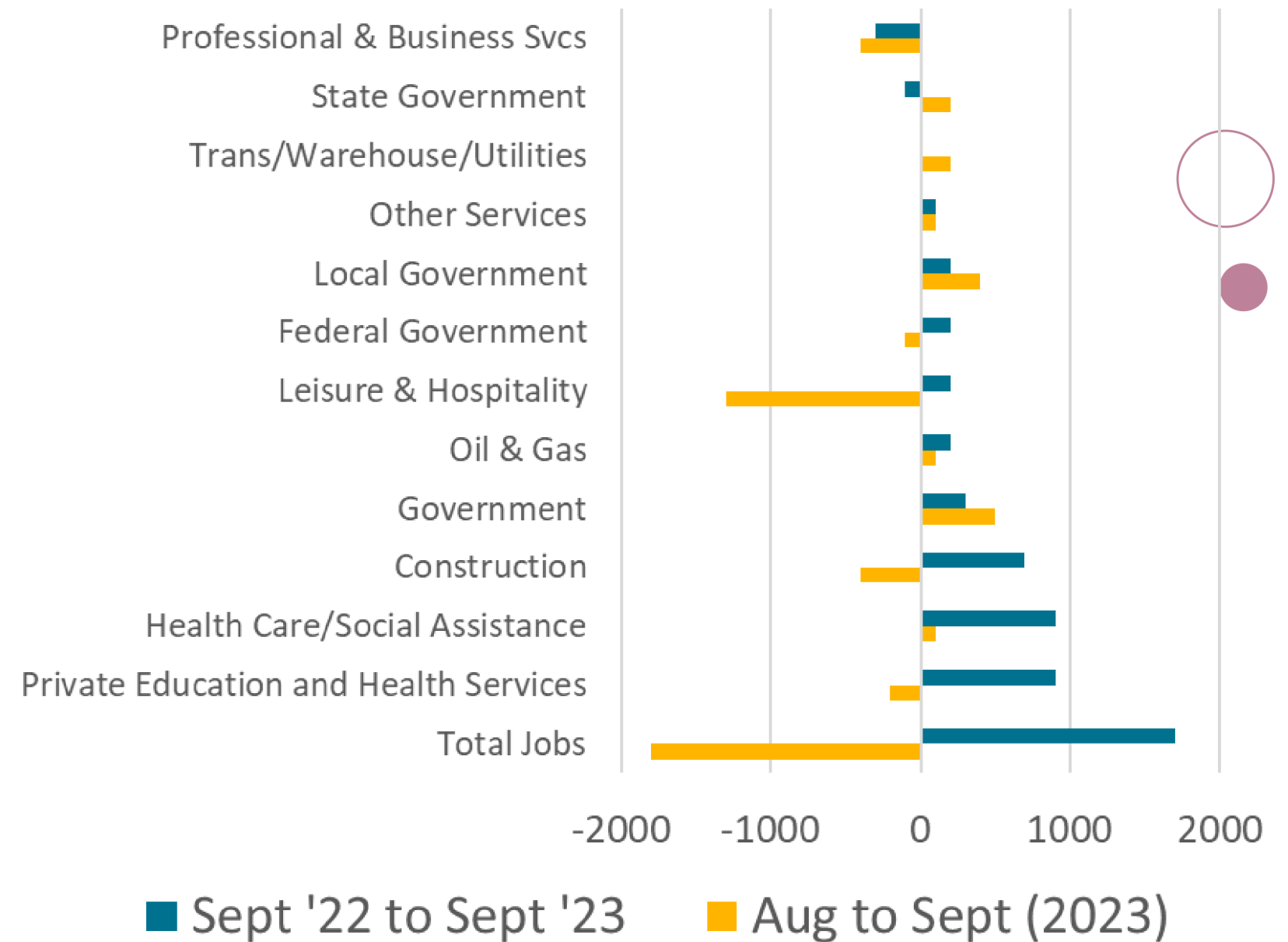
First National Bank
ALASKA
MEMBER FDIC

People AK

Job Gains & Losses September 2023

This chart shows the changes in the number of Anchorage jobs for select industry sectors.

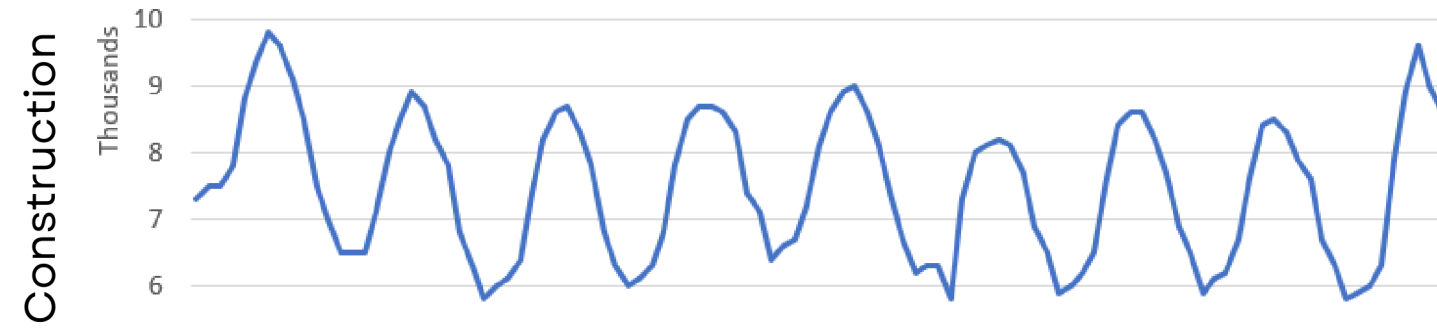
- Anchorage added about 1,700 total net jobs from September 2022 to September 2023 (up from August 2023's 1,400 jobs added over August 2022).
- Despite the increase in year-over-year job growth (blue bars), Anchorage had -1,800 fewer jobs in September than in August (yellow bars), largely due to predictable seasonal trends.
- Despite Health Care employers hiring aggressively since 2020, total sector employment fell slightly and then stabilized in 2021 and 2022. In 2023, however, Health Care employment crept up, and the 21,300 sector jobs in September were the most reported since before the COVID pandemic.
- Following (relatively) strong years in 2021 and 2022, the Professional and Business services sector has lost a few jobs in 2023, though was only -300 jobs behind 2022 in September after trailing 2022 by -400 jobs in August.



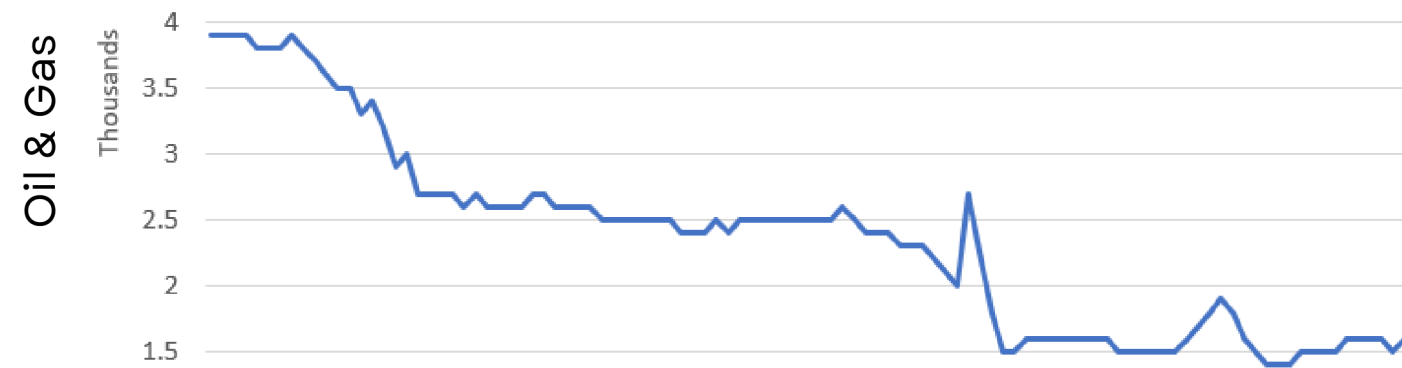
- Public Sector jobs were mostly up in September, though Federal Government employment was down -100 jobs from August (but was up 200 jobs from September 2022) and State Government jobs were down -100 jobs compared to September 2022 (despite gaining 200 jobs from August to September this year).

Pandemic Performance & Recovery Curves 2015-2023

This page shows monthly job counts (in thousands) for 6 industry sectors from January 2015 to August 2023.



While Construction sector jobs didn't take the big hit several other sectors did due to pandemic containment measures, sector employment didn't show meaningful gains until the summer of 2023.



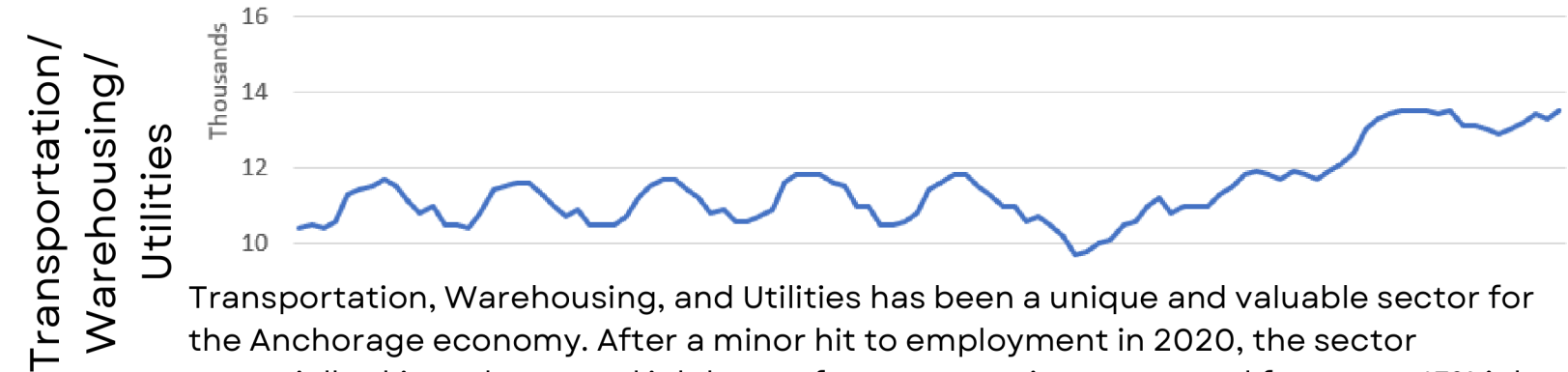
Oil & Gas didn't experience huge layoffs in April 2020 the way Leisure & Hospitality did, but the sector still shed 1/3 of it's jobs in 2020, and hasn't really recovered any of them. Looking back to 2015, direct Oil & Gas jobs are down more than 60%.



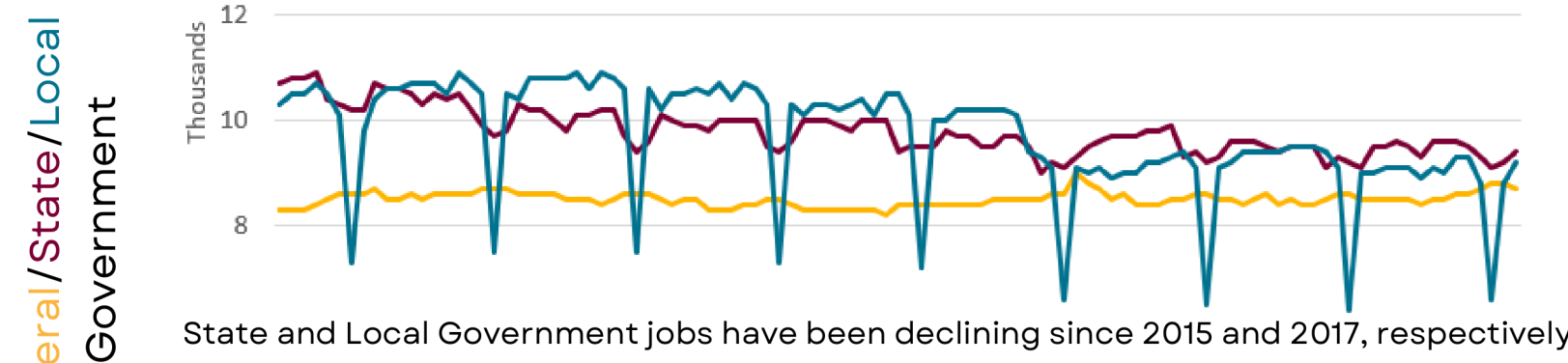
Like Oil & Gas, Professional & Business services was having a rough go even before COVID. Unlike Oil & Gas, however, Prof. & Biz Svcs has recovered all jobs lost in 2020.



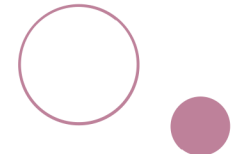
The Leisure & Hospitality sector, which includes Food Services and Accommodations, was hit hard by pandemic public health measures. Sector employment has recovered steadily for the past 3 years, and is **almost** caught up to pre-pandemic jobs counts.



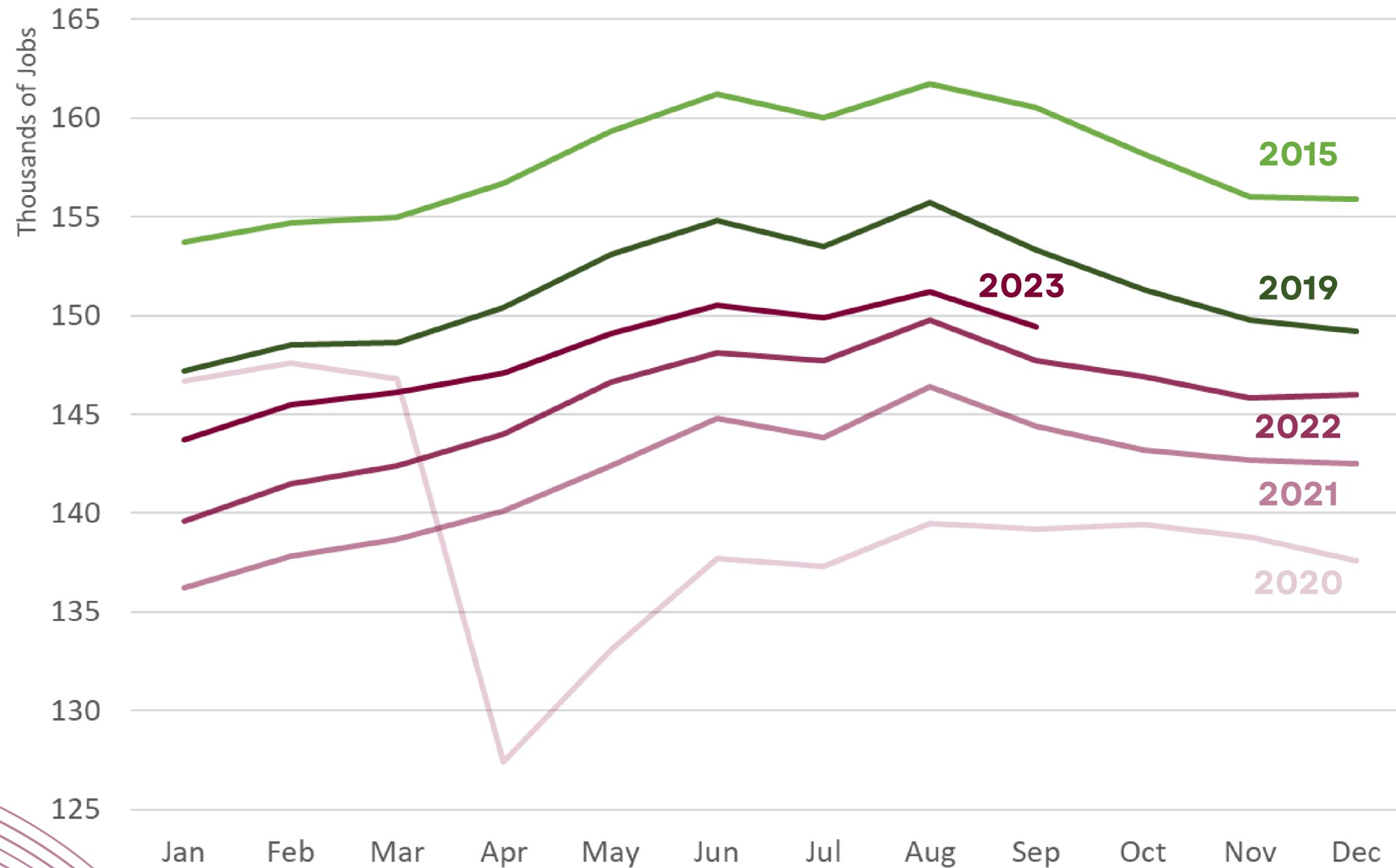
Transportation, Warehousing, and Utilities has been a unique and valuable sector for the Anchorage economy. After a minor hit to employment in 2020, the sector essentially skipped seasonal job losses for two years in a row, good for a net +15% jobs growth since 2019. For the past year, however, sector employment has stagnated.



State and Local Government jobs have been declining since 2015 and 2017, respectively, while Federal Government employment has remained stable. The pandemic correlates with a persistent drop in Local Government employment, and short term increases in Federal and State Government employment, which have since subsided.



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 2023, the rate of growth has slowed.

January 2023 was +4,100 jobs ahead of January 2022, but that figure fell to +2,500 jobs in May, and to just +1,700 in September.

Jobs vs Employment



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

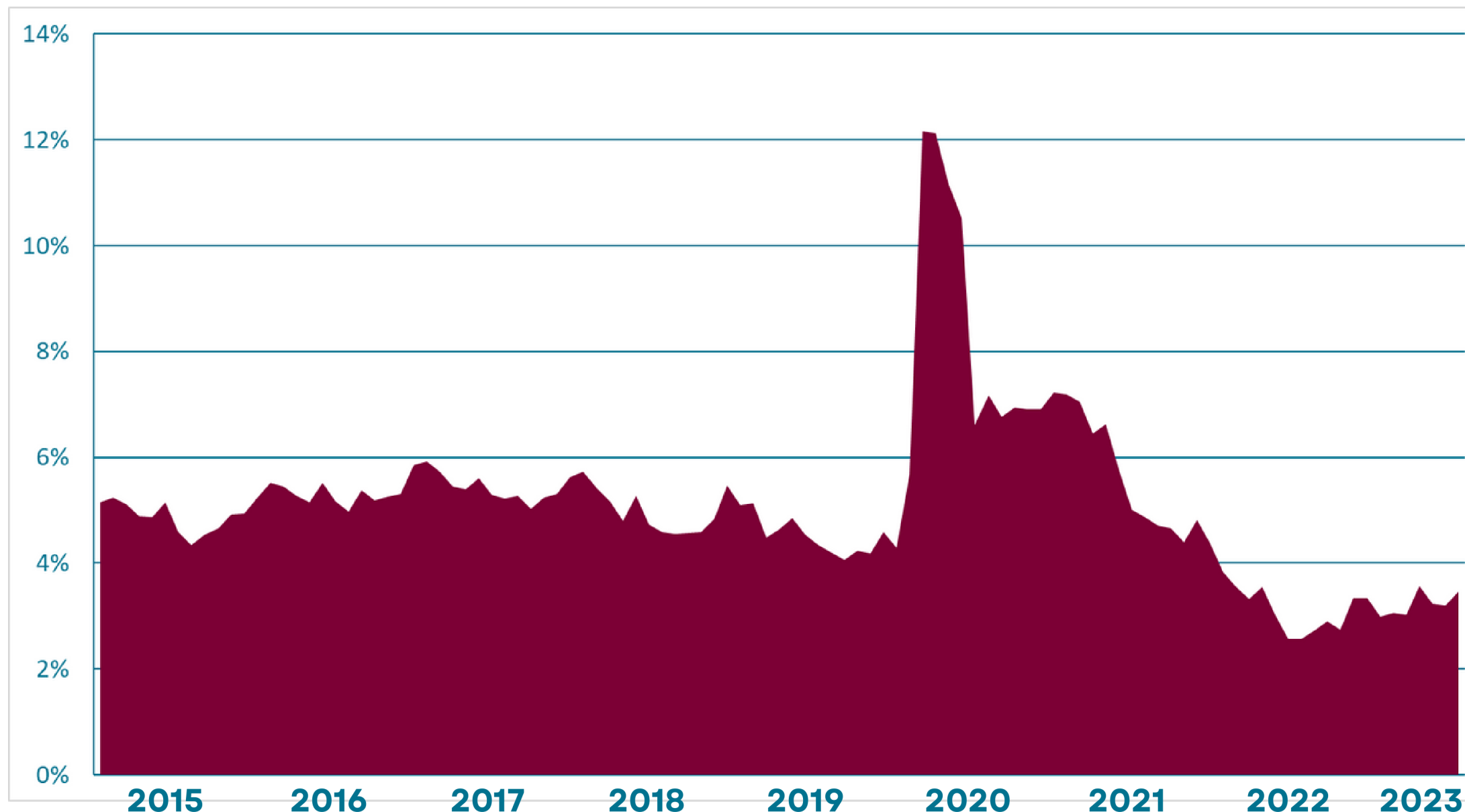
Jobs are counted based on where the work is located, employment is counted based on where workers reside. People who live in the Mat-Su Borough and work in Anchorage therefore count towards 'Anchorage Jobs', but NOT towards 'Anchorage Employment'.

Anchorage 'Jobs' continue to lag a couple thousand below 2019 levels (see previous slide) while Anchorage 'Employment' returned to 2019 levels in 2021, and in 2023 has achieved counts last seen in 2016.

ANCHORAGE UNEMPLOYMENT: 3.5%

In September, Anchorage unemployment rose 0.3% to 3.5%. Since August, our labor force grew by 934 (to 151,241); with 519 more employed persons (146,011 total) and 415 additional unemployed persons (5,230 total).

For comparison, in Anchorage's all time high jobs year (2015) we had an average unemployed persons count of 7,620 (46% higher than September 2023) and an average unemployment rate of 4.9% (42% higher than September 2023).



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

