

# EMPLOYMENT UPDATE

December  
2024



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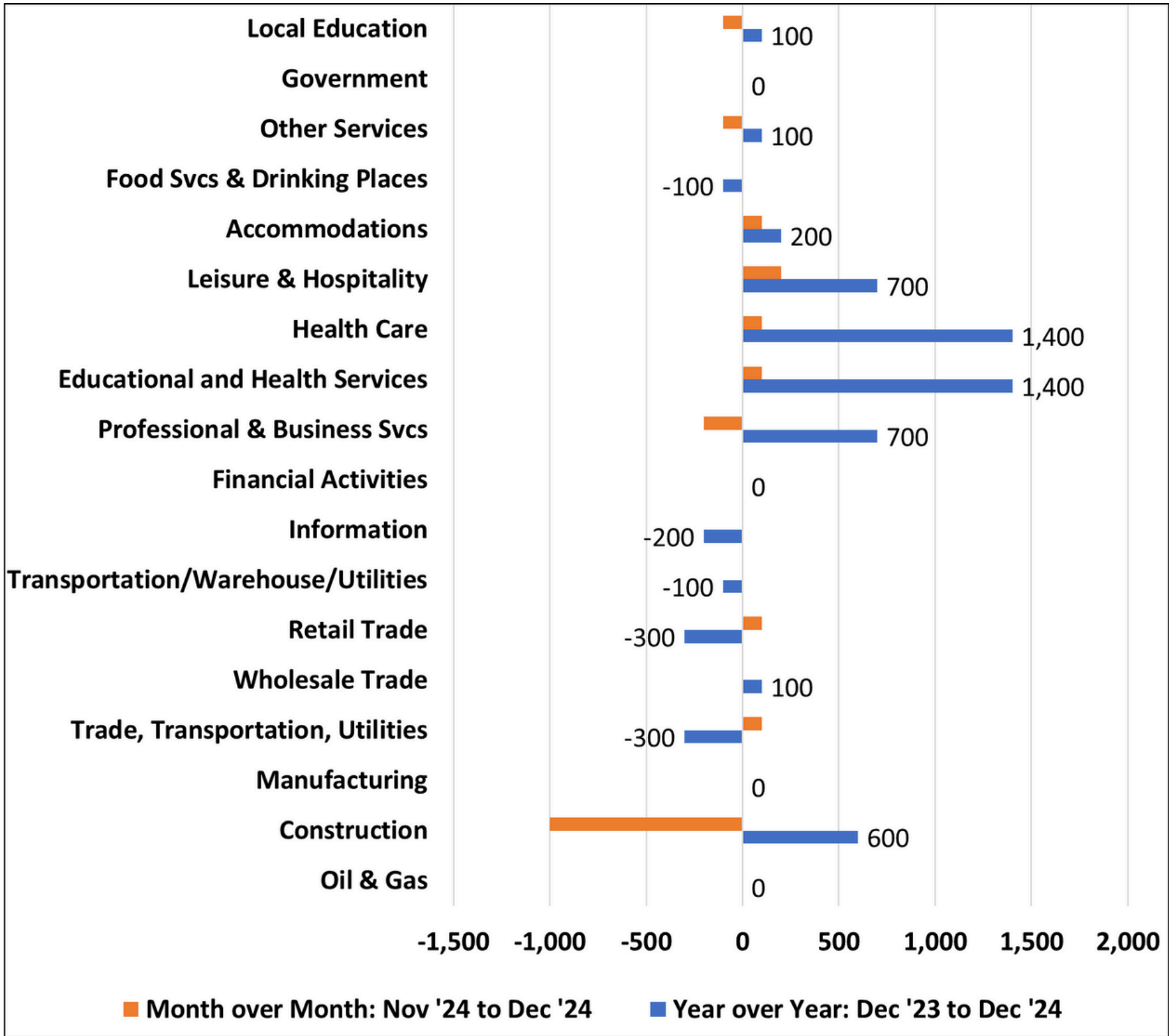
# DECEMBER JOB GAINS & LOSSES

This chart shows the monthly and yearly changes in the number of Anchorage jobs for most industries.

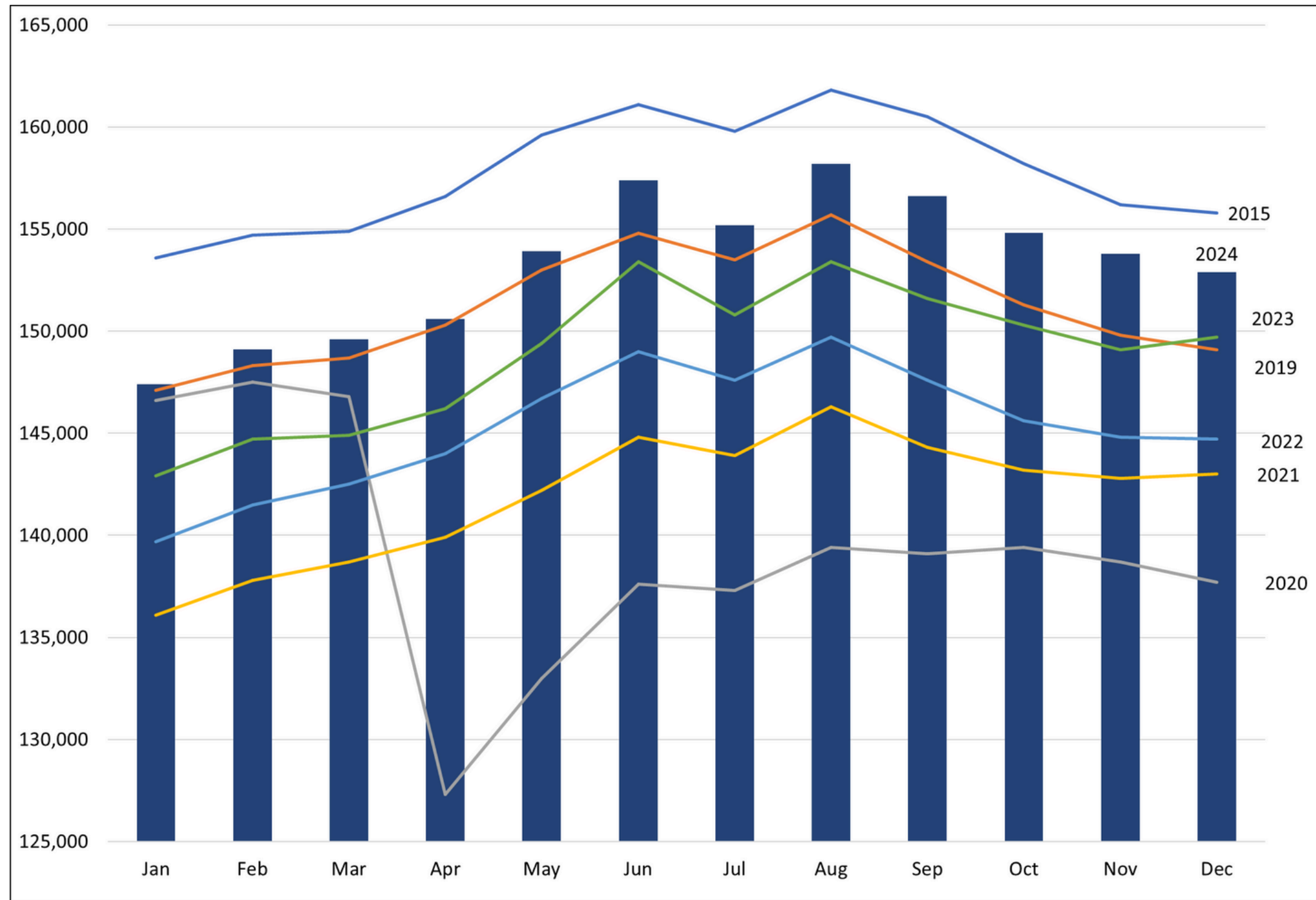
- Year over year (YOY), Anchorage’s December estimated jobs increased by 2.1% to 152,900. The three fastest-growing sectors were:
  - Construction (8.5%, +600)
  - Accommodations (6.9%, +200)
  - Health Care (6.4%, +1,400)
- Month over month (MOM), total Anchorage jobs decreased by an estimated 0.6% (-900 jobs), following seasonal trends.

Anchorage’s job market ended 2024 on a positive note. Only four industries (transportation, retail trade, information, and food places) lost a combined 700 jobs compared to December 2023. While the remaining 17 industries either added jobs or maintained their employment levels.

Anchorage’s labor force grew by 804 workers over the course of 2024, an exciting achievement given the city’s aging population and the ongoing loss of prime-age workers. Additionally, the unemployment rate hovered near historic lows, demonstrating the municipality’s resilience despite several economic challenges. These included slightly lower oil prices (down by just over \$2 in 2024 compared to 2023), higher credit card interest rates, and increased rent and housing costs.



# JOB RECOVERY: ALL SECTORS



AEDC monitors Anchorage's job market by comparing current job numbers to job numbers from 2019, to assess the recovery from the COVID-19 pandemic. Additionally, AEDC compares current job numbers to job numbers from 2015, which marked the peak of Anchorage's job market.

Anchorage has approximately 1.9% fewer jobs than in 2015, but population declined by 3.2% since 2015. This is part of the reason that 25% of Anchorage's workforce is imported from areas like the Mat-Su Valley, and out of state. Anchorage has a growing job market but a shrinking working age population.

# DECEMBER UNEMPLOYMENT: 3.7%

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

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

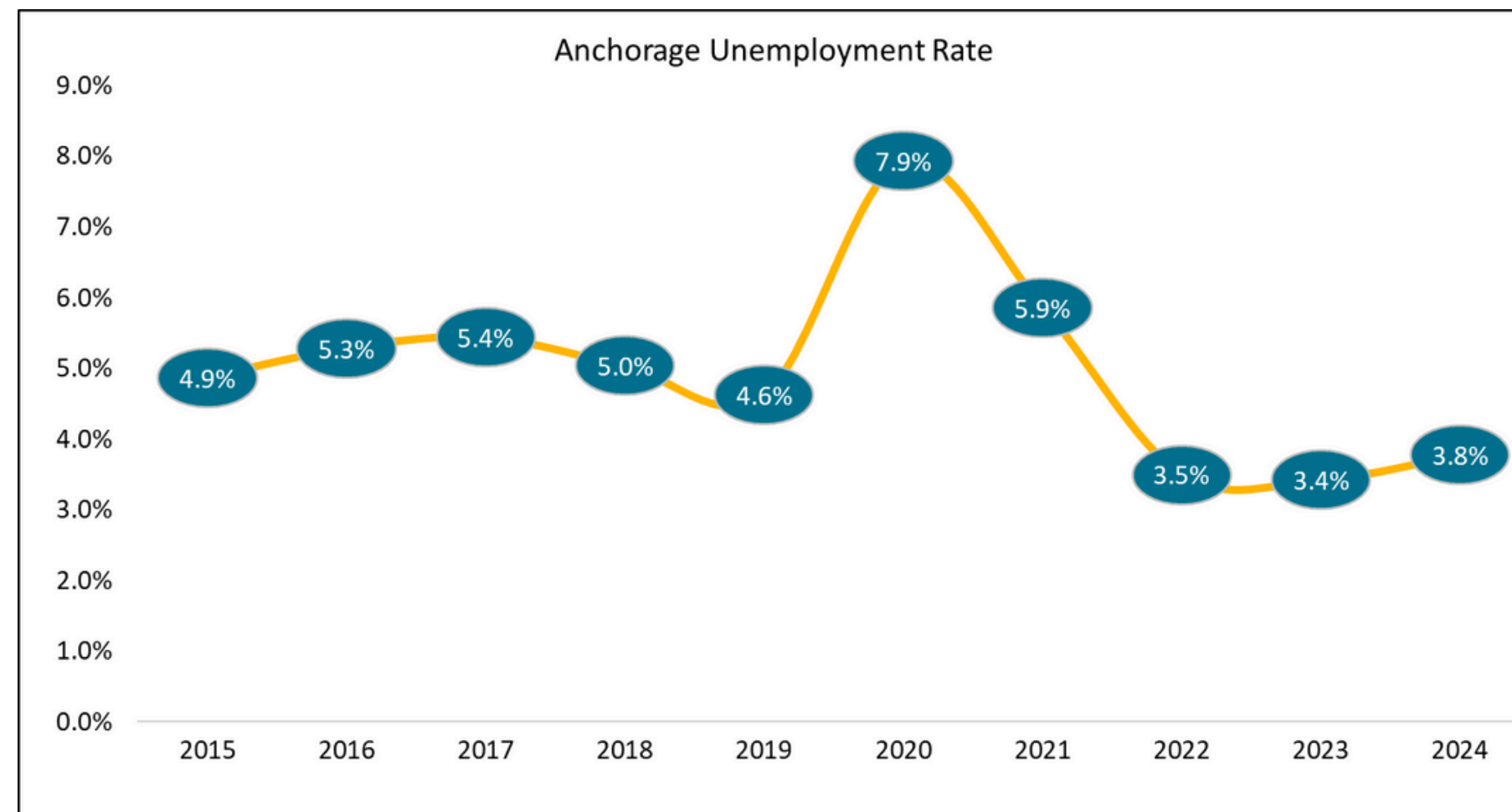
When we have too few jobs, we risk losing population as workers move to places where they are more in demand. This reduces our economies of scale and can hurt our municipal tax base. High unemployment also means more people relying on public assistance, driving up public sector costs.

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.

Anchorage's unemployment rate dropped to 3.7% in December 2024, a 0.2% decrease from November. This rate is significantly lower than the ten-year December average of 4.7%.

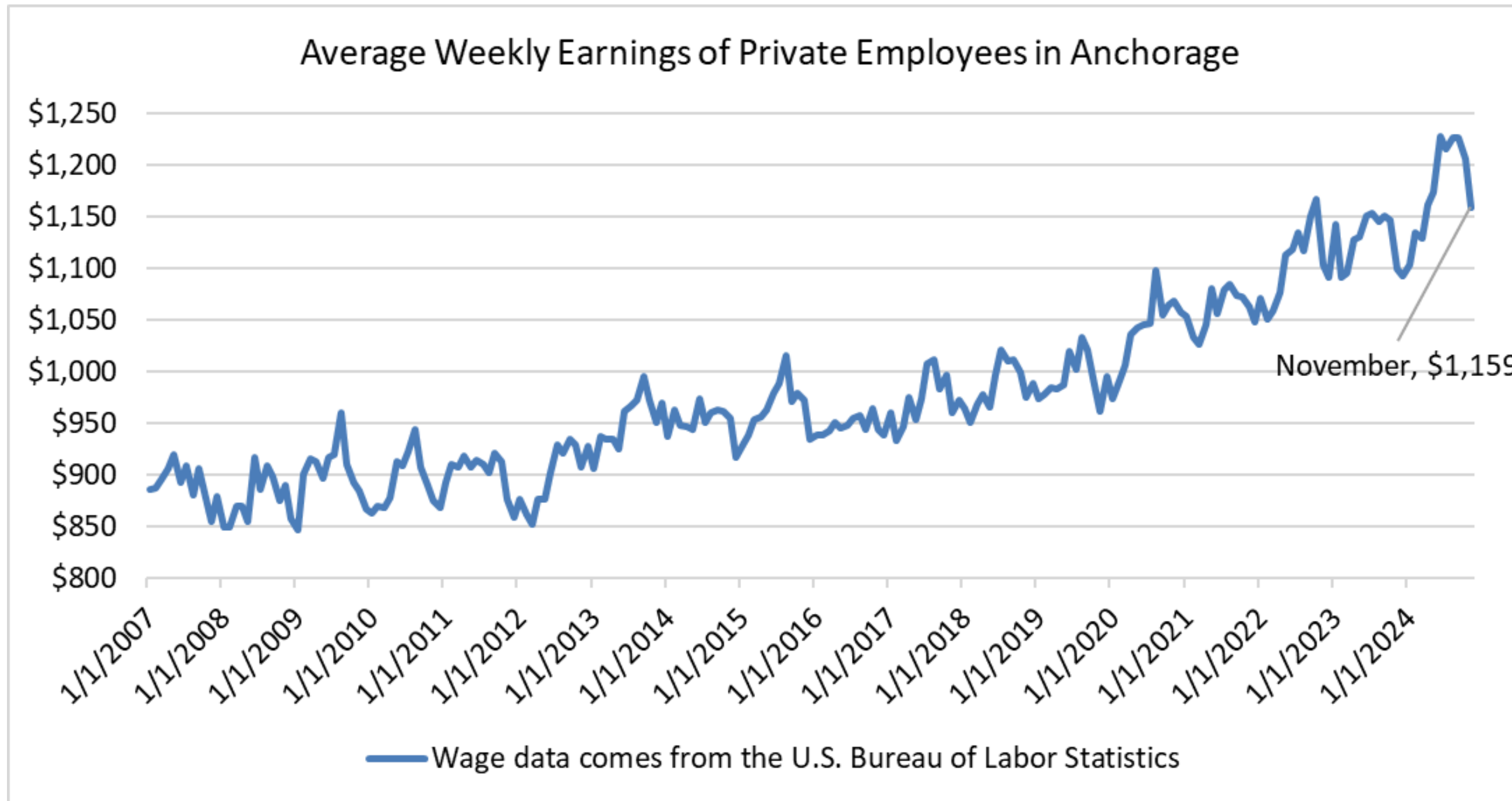
November's jobs data was slightly revised: the labor force decreased by 168 workers, employment fell by 142, and the number of unemployed individuals dropped by 48.

An unusually warm and snow-free January could impact the next set of job numbers. The lack of snow may jeopardize positions in winter tourism, snow removal, and winter recreation. On the flip side, the warmer weather might allow construction and other outdoor work to continue at higher levels than usual. It likely won't be enough to offset the typical seasonal slowdown, as the construction industry usually scales back during this time.





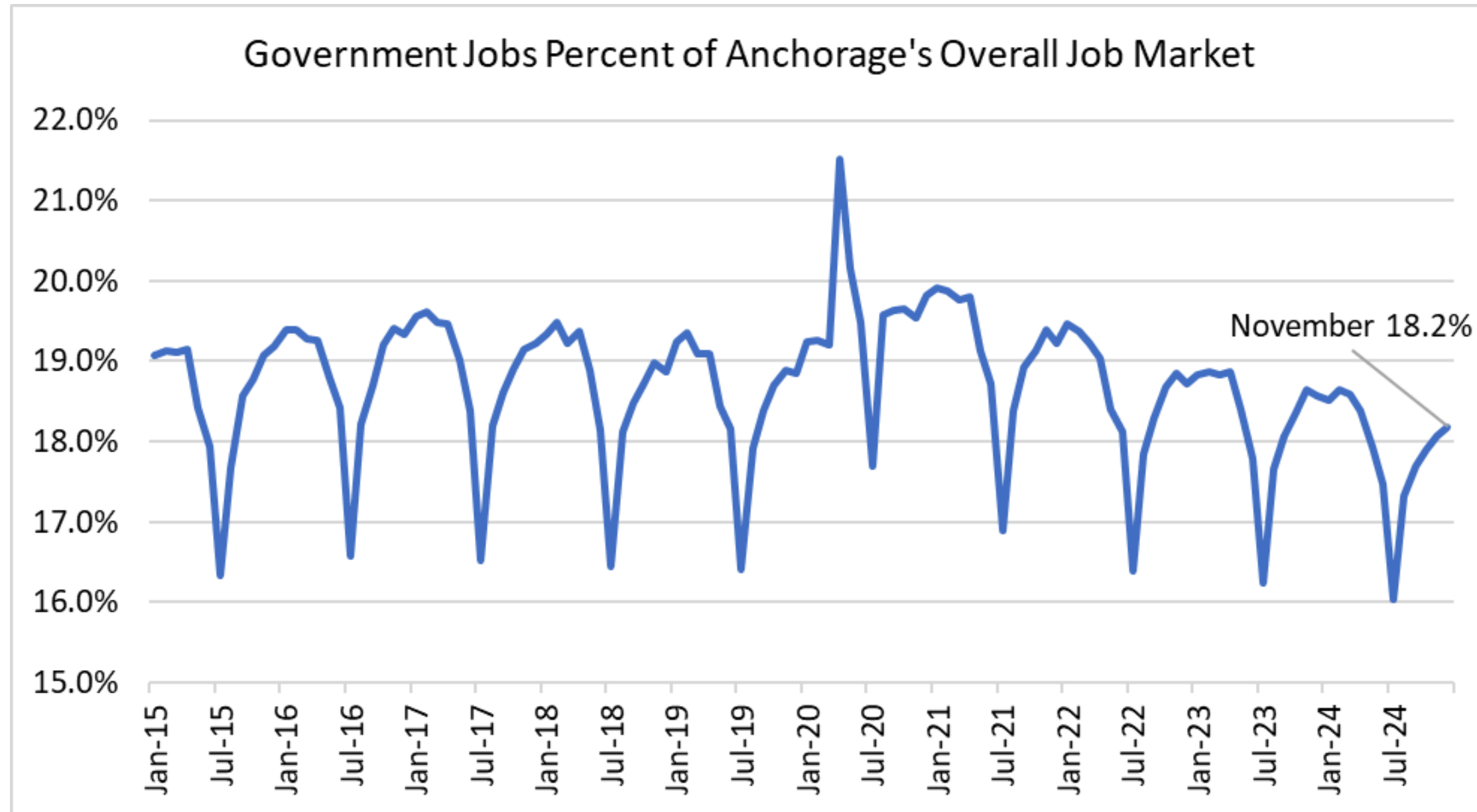
# DECEMBER PATTERNS



The latest data shows that average weekly earnings dropped by \$47 from October to November, reflecting seasonal shifts in Anchorage’s job market. This decline is largely attributed to higher-paying jobs being replaced by lower-paying ones. Notably, the construction industry, which offers an average wage of \$34.86 per hour, shed 1,300 jobs as summer construction projects came to a close.

In contrast, sectors that added jobs—such as retail (+100 jobs) and healthcare (+100 jobs)—had minimal impact on overall earnings. Retail pays significantly lower wages than construction, and the limited growth in healthcare employment was insufficient to offset the decline in higher-paying industries.

# PRIVATE VS GOVERNMENT



The chart shows the percentage of Anchorage's overall job market comprised of government positions. The fluctuations are driven by seasonal trends in certain job sectors. Government employment declines in the summer as teaching positions end, while private-sector hiring increases as tourist-related businesses add staff, restaurants expand operations, and construction activity ramps up.

We are observing a shift in the job market from government roles to private-sector jobs, reflecting the strength of the private labor market. Private-sector job growth has consistently outpaced that of government jobs. While the total number of government jobs has remained relatively stable—with State of Alaska positions holding steady since 2017—vacancy rates in government roles have risen. This trend indicates that the private sector is more appealing to workers than public-sector employment.

# Thank You to Our Diamond Investors



For more information, please visit [www.aedcweb.com](http://www.aedcweb.com)  
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