



AEDC
Anchorage Economic
Development Corporation

JANUARY EMPLOYMENT REPORT 2025

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JANUARY JOBS REPORT

Each month, AEDC publishes the Anchorage Jobs Report, providing key insights into the city's labor market. This report highlights local unemployment trends, average work hours, earnings, industry performance, and broader workforce dynamics. By analyzing these indicators, we offer a clear picture of Anchorage's employment landscape—helping businesses, policymakers, and job seekers make informed decisions.

For more information, please email info@aedcweb.com

JANUARY JOB NUMBERS

Headline Numbers

Anchorage Job Numbers: Softening, Still Growing

- ↓ - 2,800 fewer jobs in January vs. December
- ↑ 3,200 more jobs in January 2025 than in January 2024

Of the -2,800 jobs that were lost:

- ↓ Private employment shed 2,500 jobs (down 2.0%)
- ↓ Government employment shed 300 jobs (local jobs, 100 state jobs, 100 federal jobs; overall sector down 1.1%)

December 2024 numbers revised downward

- ↓ 100 fewer payroll jobs
- ➡ No change to labor force, employment, or unemployed individuals

Unemployment rate

- ↓ Big increase to 4.3% (up from 3.6%)

Average Weekly Hours

- ↑ Big 0.7 increase from December (to 33.7)

Average Hourly Earnings

- ↑ Up \$0.10 from December (up 0.28%)

Recap

January's job numbers were largely in line with seasonal expectations. The first quarter typically sees the lowest employment levels of the year as construction slows, tourism firms are on pause until the tourist season, hospitality companies operate at reduced capacity, and transportation jobs decline after the holiday rush.

Anchorage's job market remains stronger than in January 2024 but has softened in recent months. From December 2024 to January 2025, the city lost 2,800 jobs (from 151,300 to 148,500), a typical post-holiday decline as seasonal workers are let go.

Despite this month-over-month drop, employment was up 3,200 jobs compared to January 2024, signaling overall growth from the previous year.

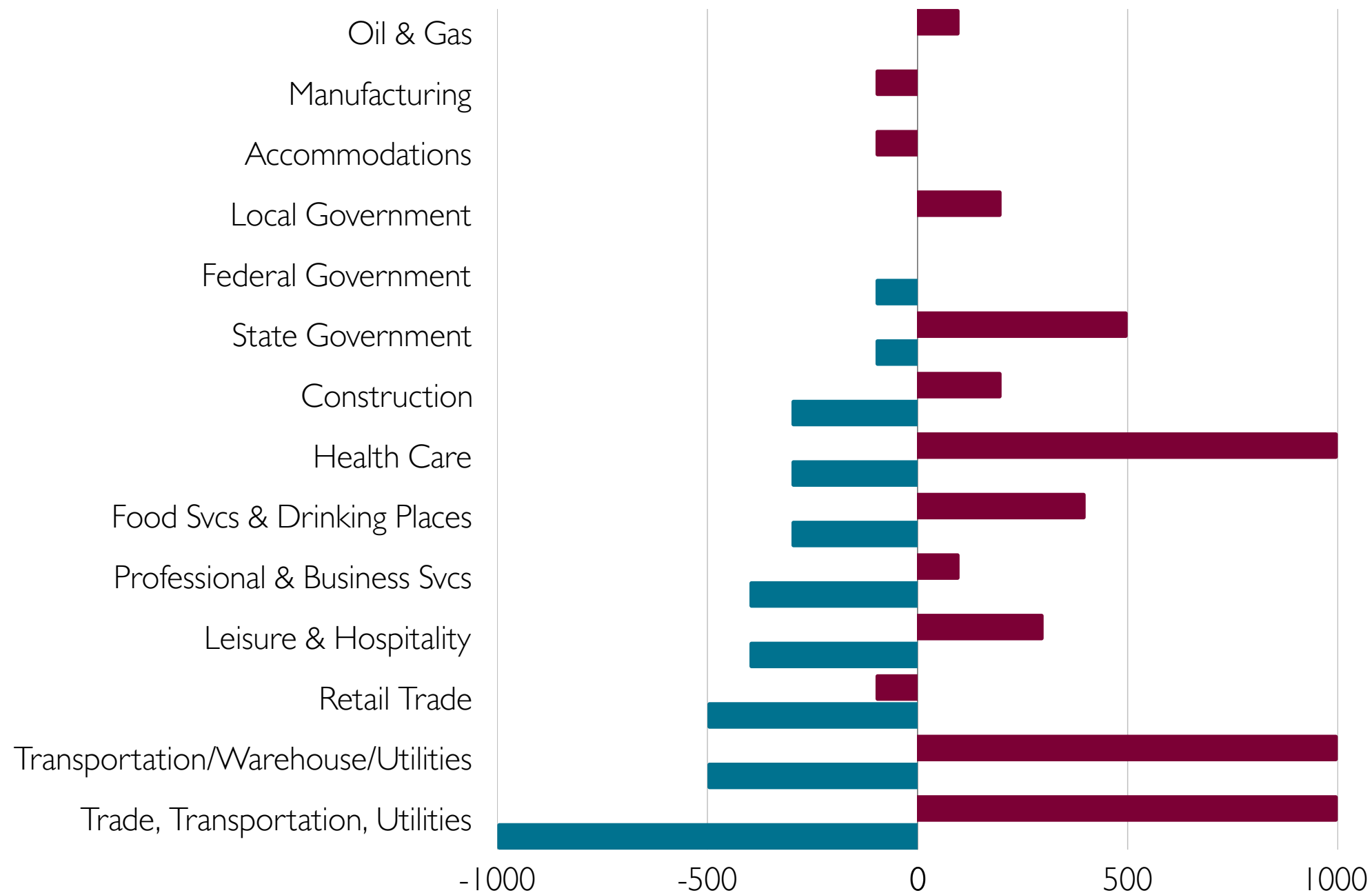
Note on Federal Worker Estimates

These employment estimates come from the U.S. Bureau of Labor Statistics' Job Openings and Labor Turnover Survey, which measures jobs based on the pay period that includes the 12th of each month. Because of this timing, the federal employment numbers may not reflect the recent layoffs of probationary workers. As a result, the next jobs report may show a more significant drop in federal employment.

JANUARY JOB GAINS & LOSSES

This chart shows monthly and yearly job changes across most major industries in Anchorage

- Year over Year: Dec'24 to Jan'25
- Month over Month: Dec '24 to Jan '25

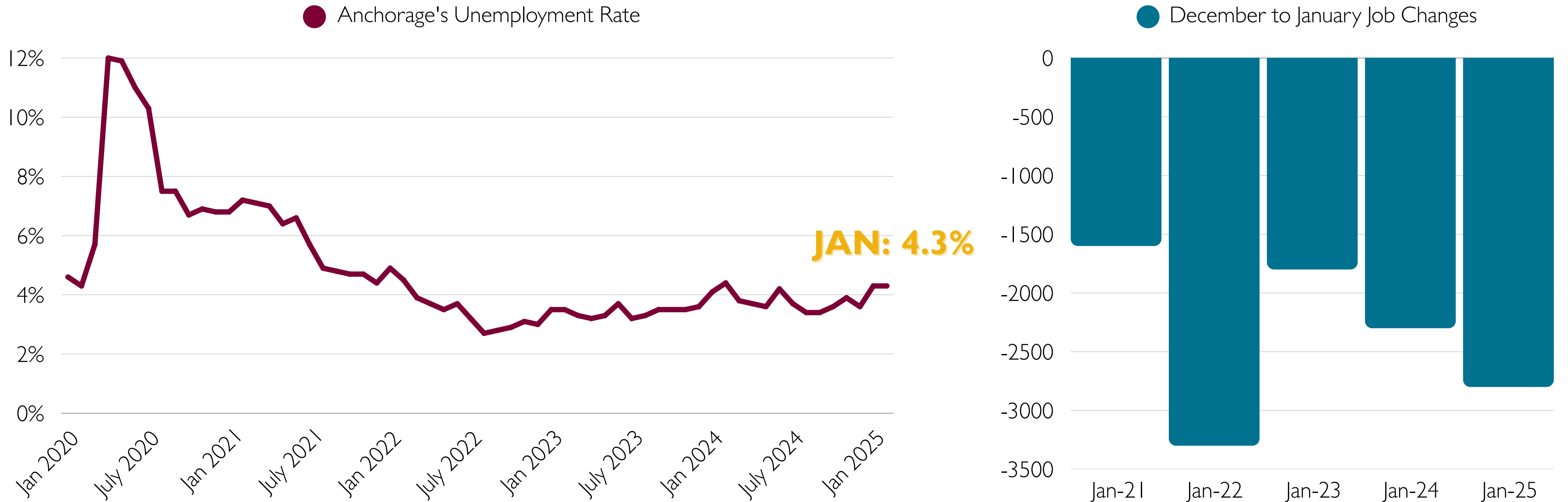


- Year over year, Anchorage's January estimated jobs increased by 0.7% to 148,500.
- The three fastest-growing sectors were:
 - Transportation/Warehouse (7.9%, 1,000)
 - Oil and Gas (6.3%, +100)
 - Healthcare (4.7%, +1,000)
- Month over month, total Anchorage jobs decreased by an estimated 1.9% (-2,800 jobs), following seasonal trends.



UNEMPLOYMENT

MONTHLY CHANGES

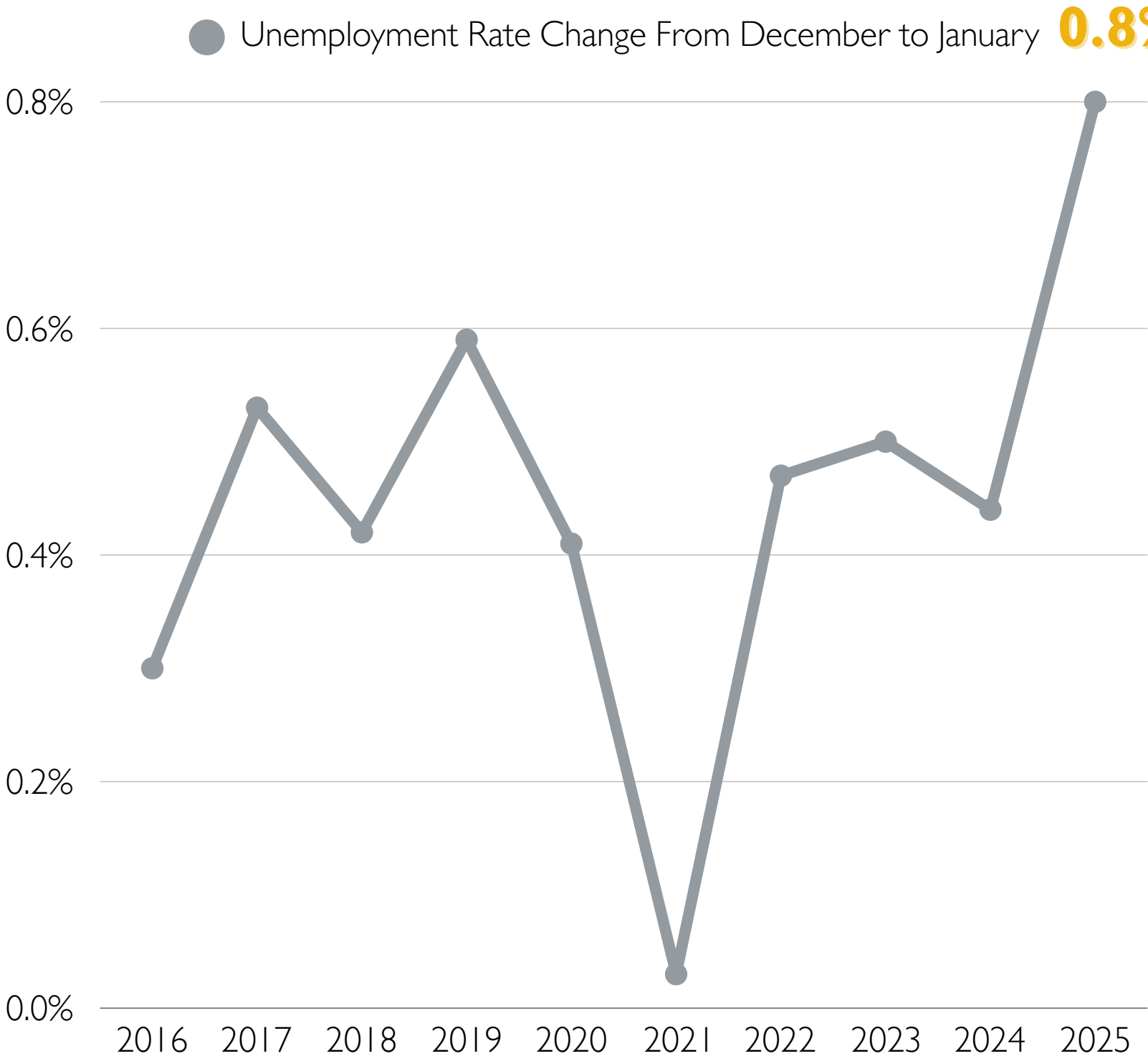
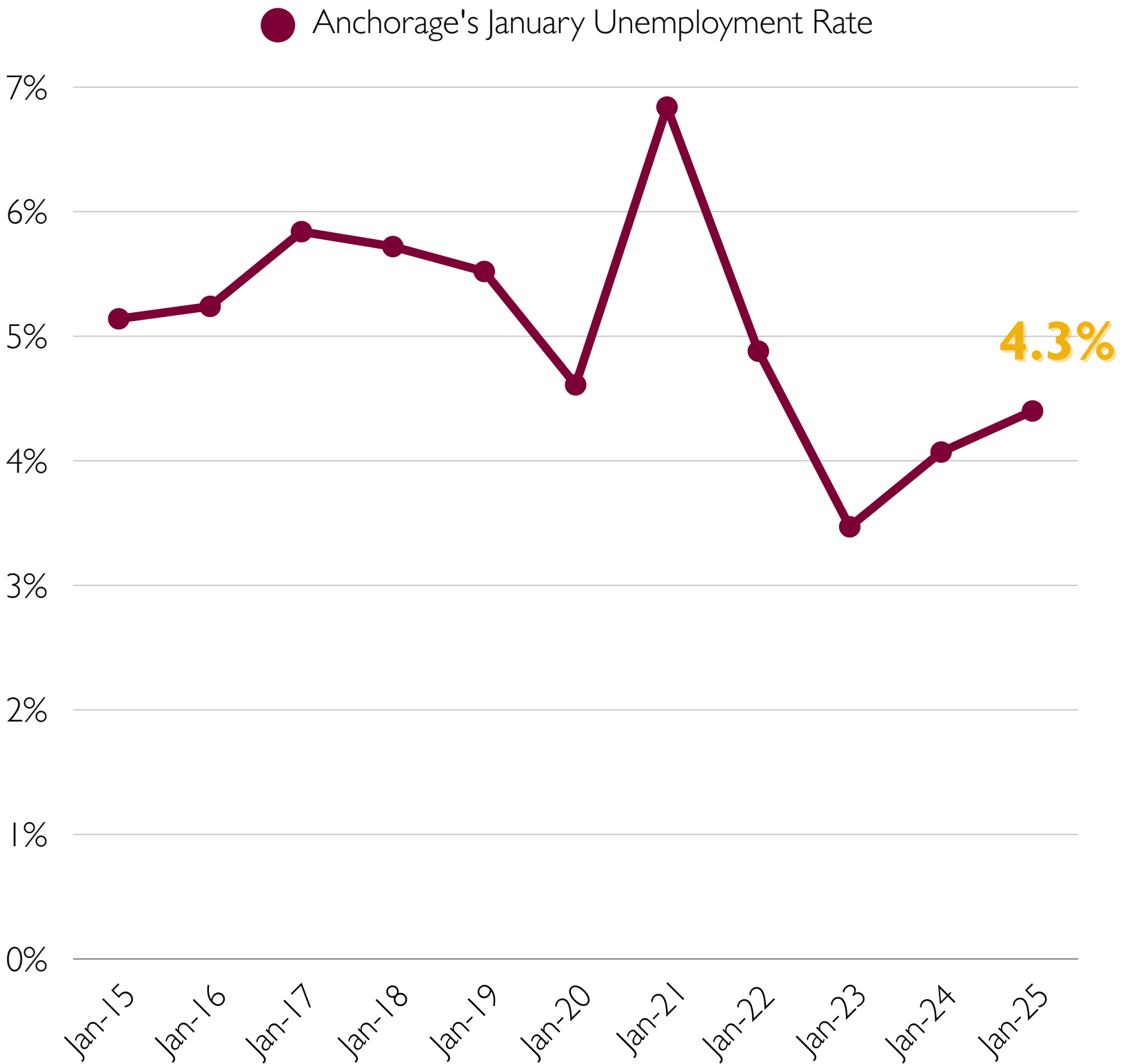


The sharp rise in the unemployment rate is worth monitoring, but not cause for alarm. From 2015 to 2024, January's unemployment rate has, on average, been 0.42% higher than the previous month. This year, the increase was 0.70%, exceeding the historical average.

While a one-month spike is notable, broader trends matter more than a single data point. Factors like monthly revisions, declining survey response rates, and shifts in the labor force can all affect month-to-month fluctuations. The key is to watch whether this increase signals a trend or a seasonal one-off.

DECEMBER TO JANUARY CHANGES

While the unemployment rate rose 0.8% from December 2024 to January 2025, it remains below historical averages.

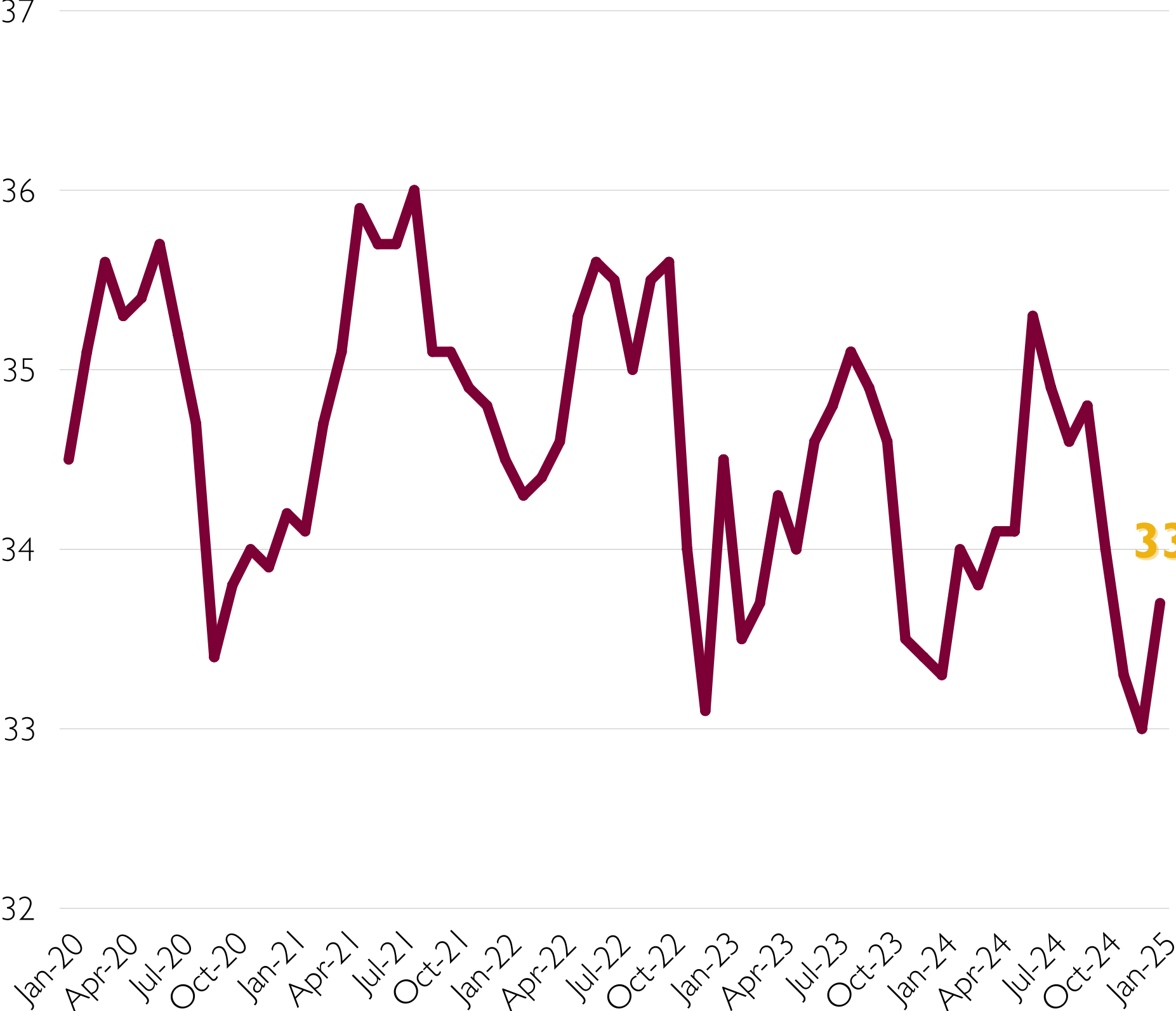




LABOR MARKET DYNAMICS

HOURS WORKED

● Average Weekly Hours Worked by Private Employees



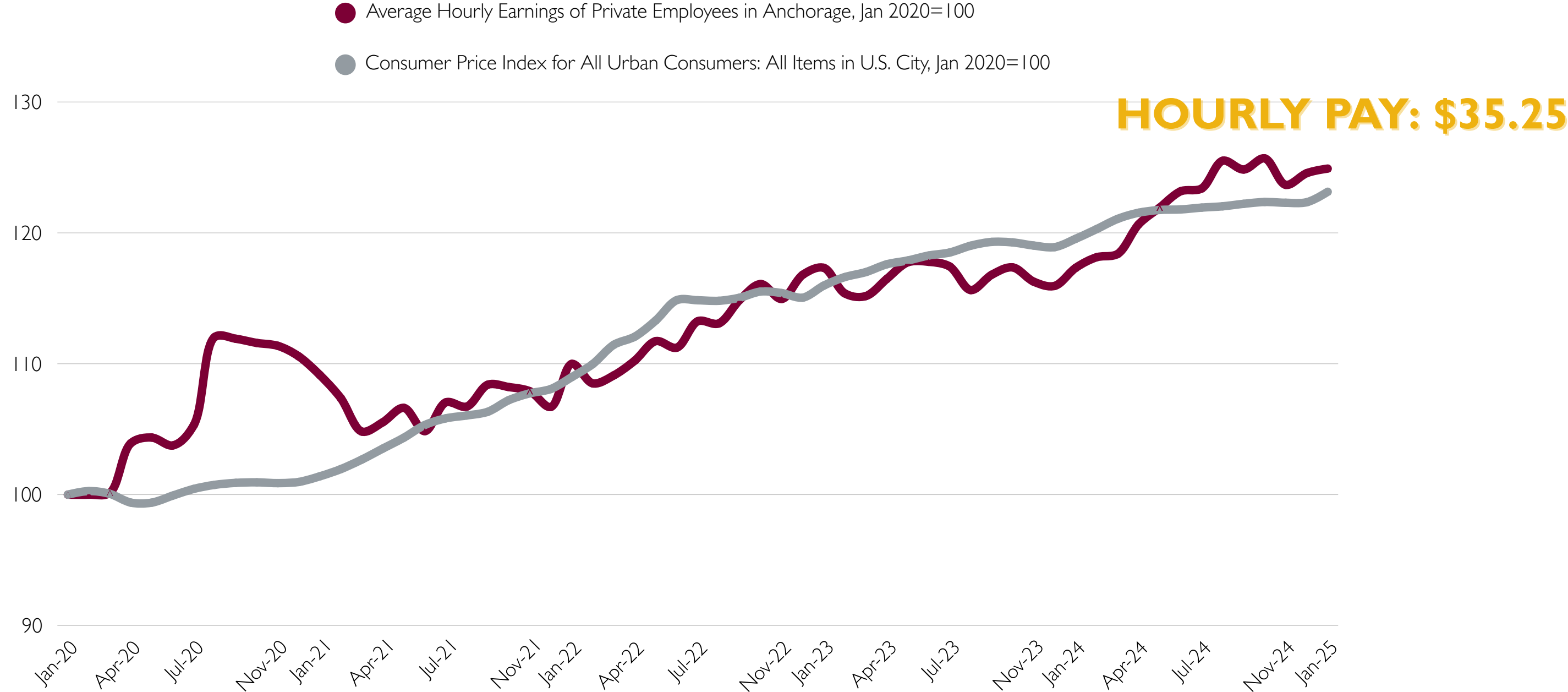
For the past few months, AEDC has been closely monitoring average hourly wages and hours worked per week. Headline job numbers and the unemployment rate only tell part of the story, if more jobs are being added but they pay less and offer fewer hours, it could signal underlying weaknesses that a strong monthly job report might obscure.

Two key trends have emerged in Anchorage. First, the average workweek is now the shortest on record, dating back to the Great Recession.

Whether this is a positive or negative development depends on the cause. If employers are offering higher wages and better conditions to attract workers who had previously dropped out of the labor market and prefer part-time jobs, the drop in hours could signal a healthy labor market with more opportunities for disenfranchised workers. However, if businesses are cutting hours or shifting full-time employees to part-time due to weaker demand, that would suggest a slowing economy.

Unfortunately, AEDC lacks up-to-date data to determine which scenario is playing out. While hours worked rebounded from an all-time low in December, January's value, hours worked has trended downward over the past two-and-a-half years.

HOURLY PAY VS. HOURS WORKED



Just as important as hours worked is pay. If workers are working fewer hours but earning higher wages, the impact on their financial well-being depends on whether wage growth outpaces inflation. If wages rise faster than inflation, workers may maintain or even improve their quality of life despite working fewer hours. However, if inflation exceeds wage growth, the increased pay won't stretch as far, leaving workers frustrated as their paycheck loses purchasing power.

Since January 2020, the average hourly wage for Anchorage workers has barely kept up with inflation. While hourly pay has increased by 24.9% (from \$28.22 to \$35.25) the cost of living has risen 23.1%. With average hourly wages just slightly outpacing inflation and fewer hours worked, there's less discretionary income flowing throughout Anchorage's economy than the headline job numbers suggest*.

Note: Numbers are not seasonally adjusted. Alternative inflation and income measures may vary. The chart indexes CPI and hourly pay at 100 for a clear wage-inflation comparison over time.

THANK YOU TO OUR DIAMOND INVESTORS



For more information, please visit www.aedcweb.com
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