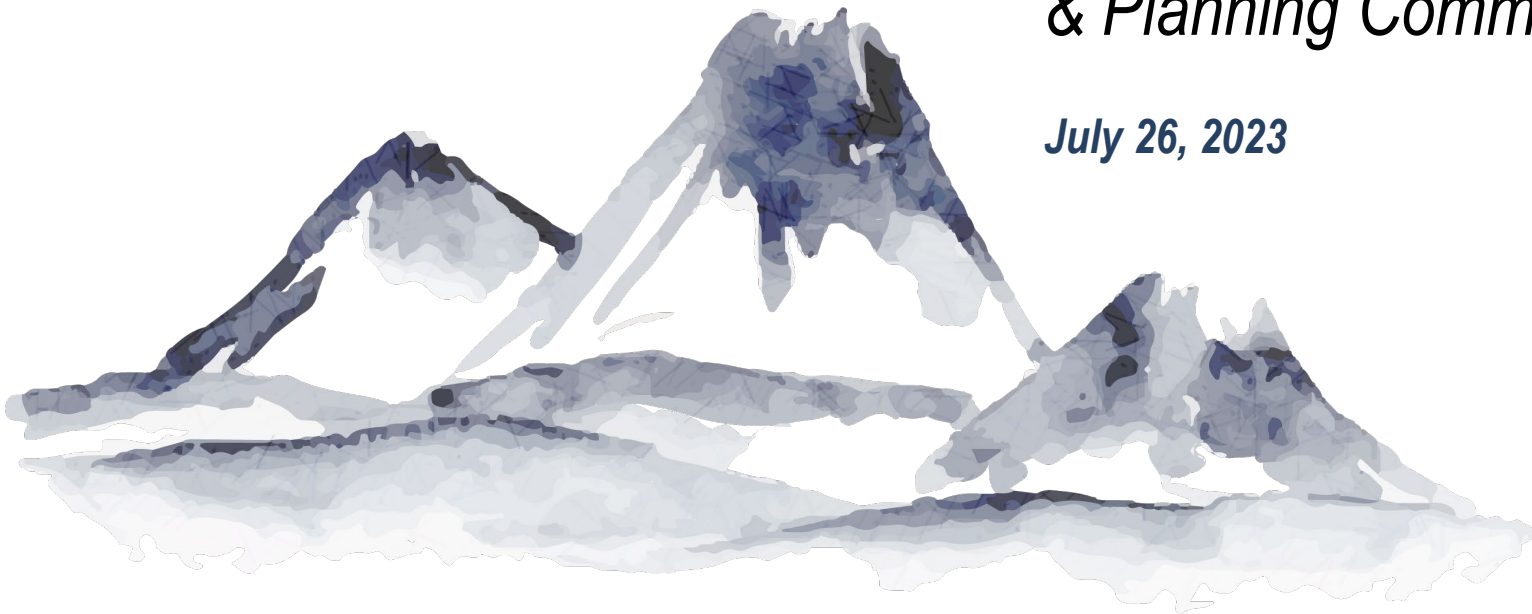


# Trends in Alaska's Workforce and Economy

Three broad points

*Alaska Mental Health  
Trust Authority – Program  
& Planning Committee*

*July 26, 2023*



# Some Headlines as We Came out of Pandemic ...

“Where Are America’s Missing Workers” – Bloomberg.com

“4.3 Million Workers Are Missing in America” – Wall Street Journal

“Too Many Jobs, Not Enough People” – Alaska’s News Source

“Anchorage Employers Have Jobs, But Few Applicants” - ADN

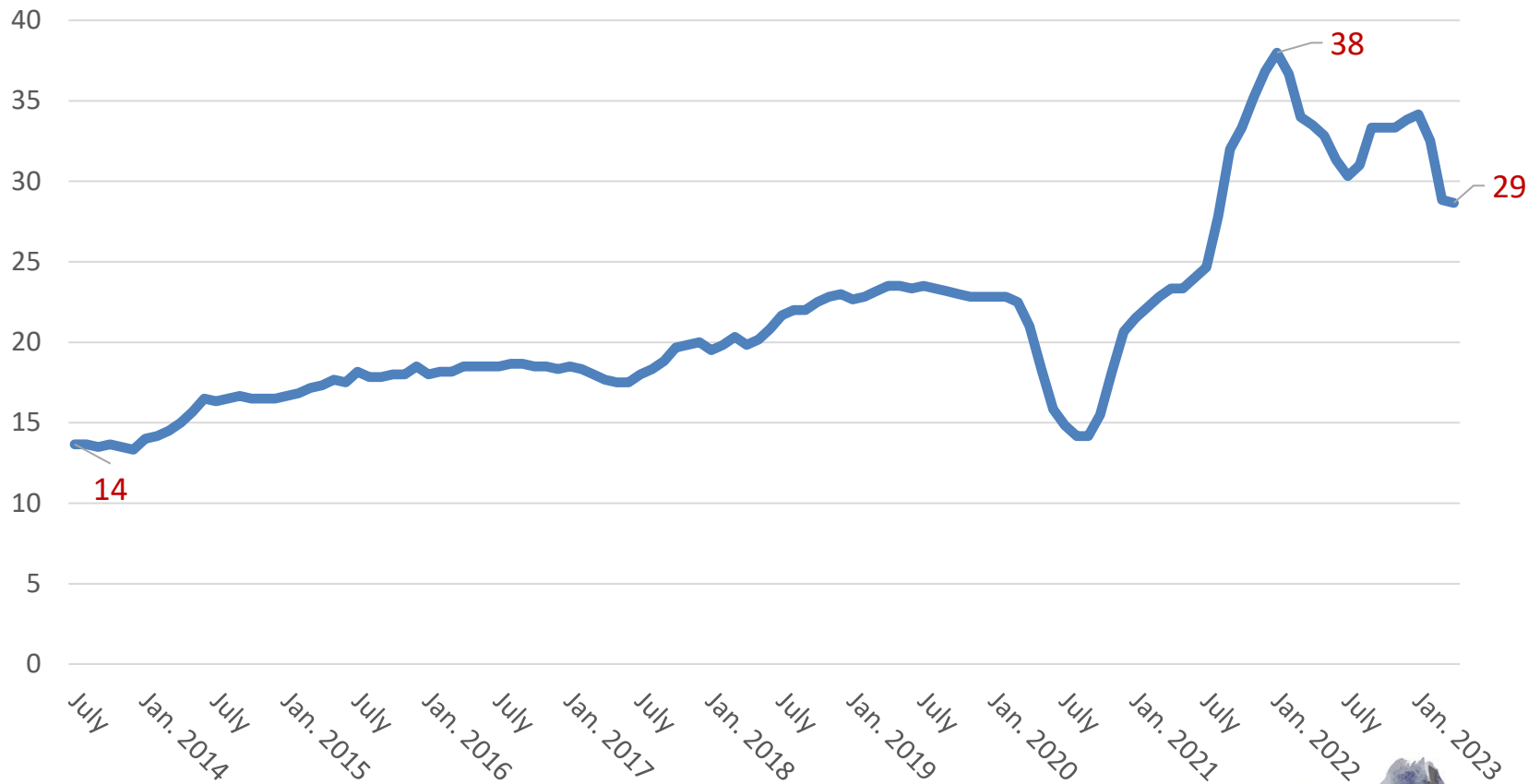
“Economic Impact of Missing Workers Could Be Significant” - NPR

“The Most Unusual Job Market in Modern American History”  
- Washington Post



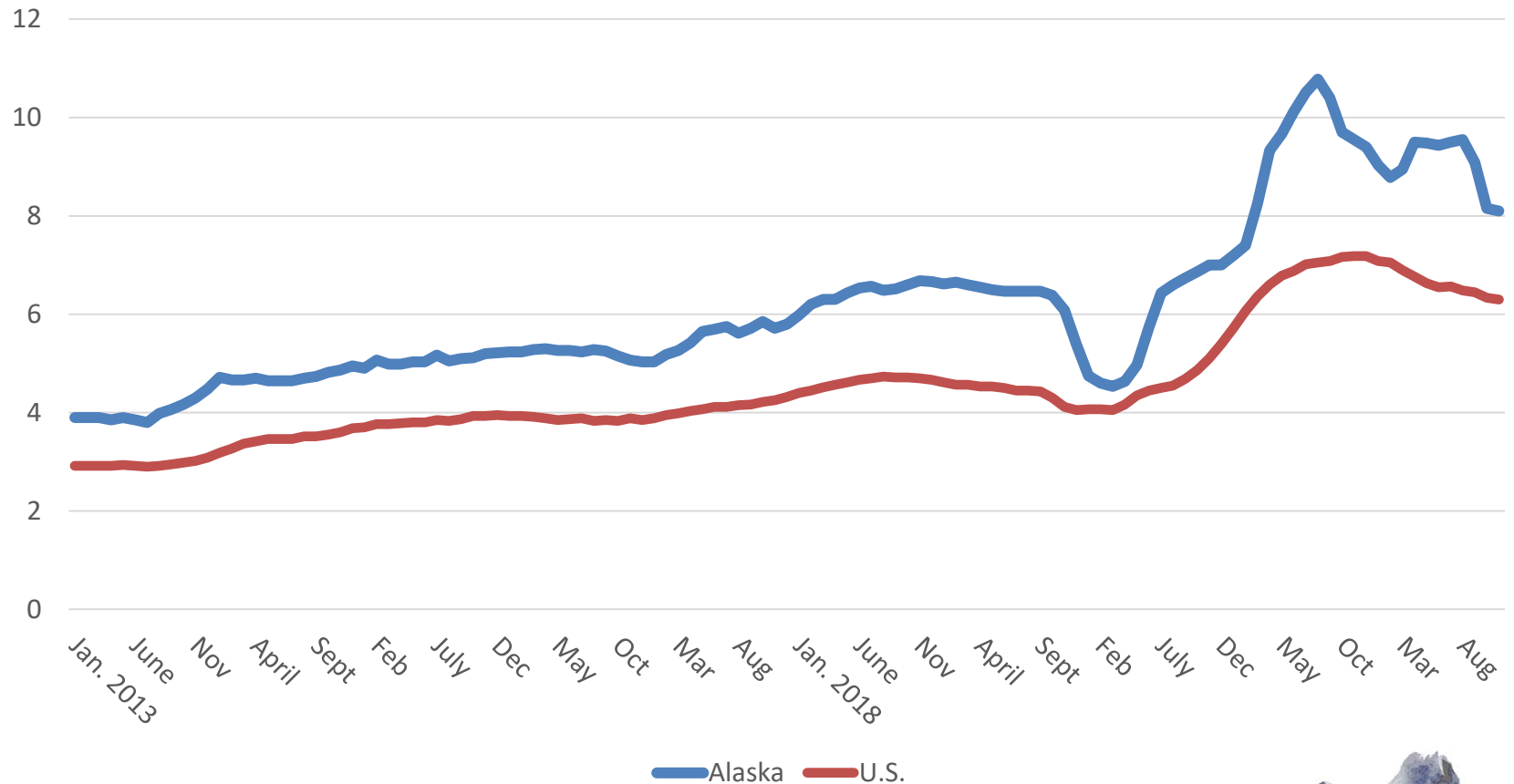
# Job Openings Jumped *and* Have Stayed Higher

Alaska Job Openings, in thousands, 2013-2023  
(six month trailing average)



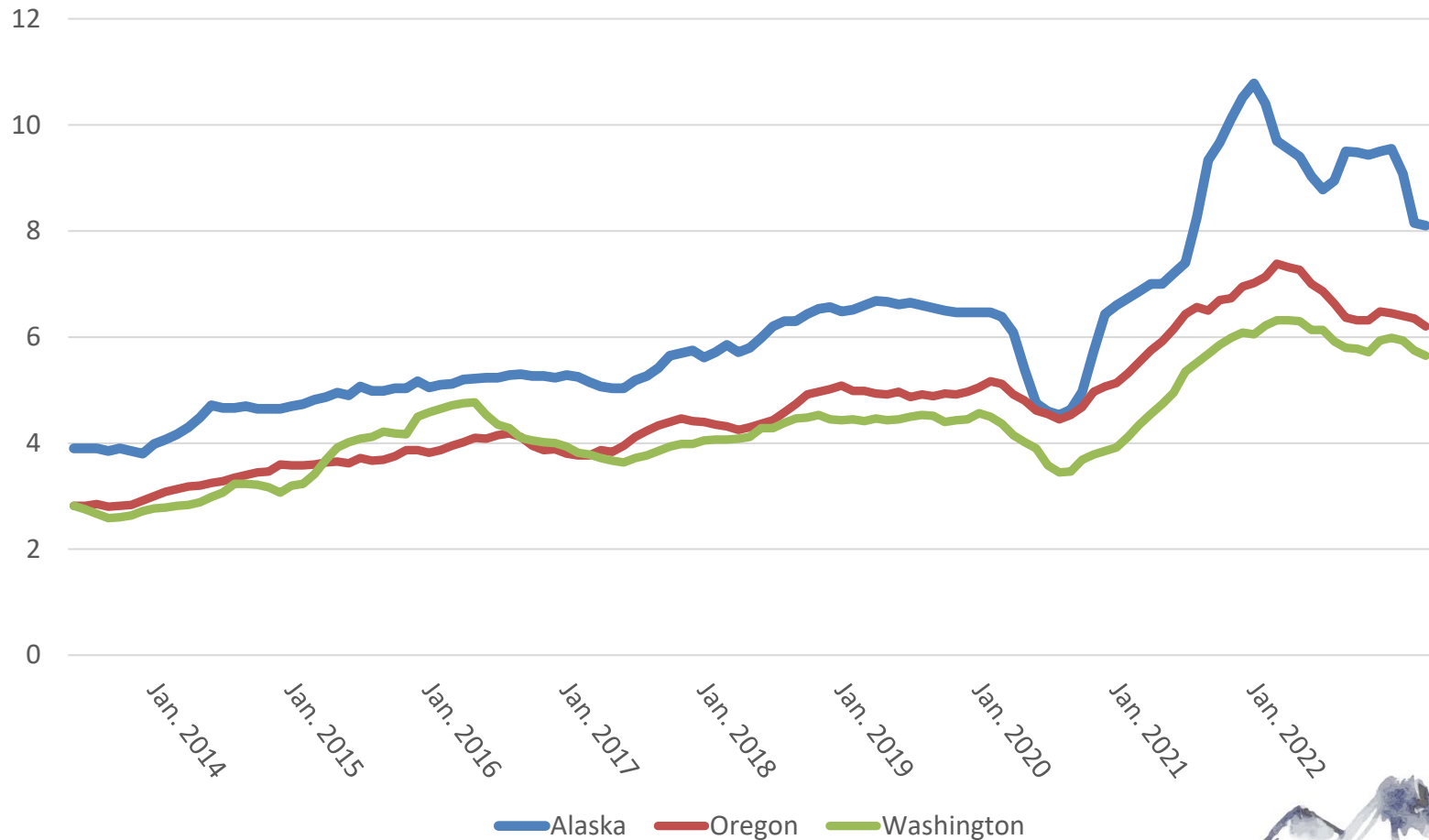
# Opening Rates Higher Here than in U.S. Overall

Job Opening Rates, 2013-2023  
(six-month trailing average)



# Opening Rates Higher Here than in Nearby States

Job Opening Rates, 2013-23  
(six-month trailing average)

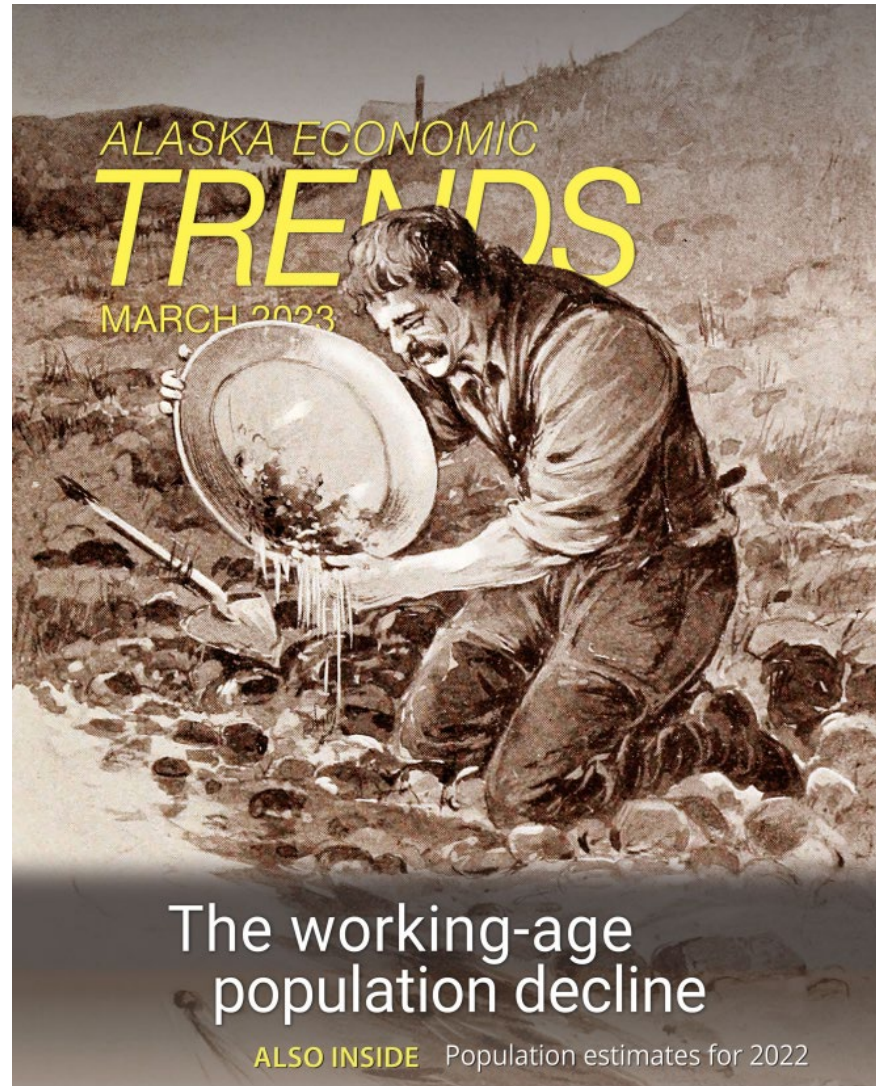


# Why So Many Job Openings, Especially in Alaska?

Understanding what's driving the change is important so we can know how long it's likely to continue (and, if we don't want it to continue, what actions we could take that might make a difference).

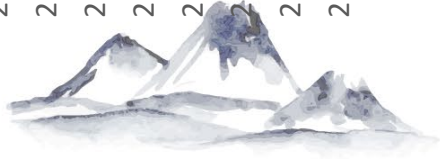
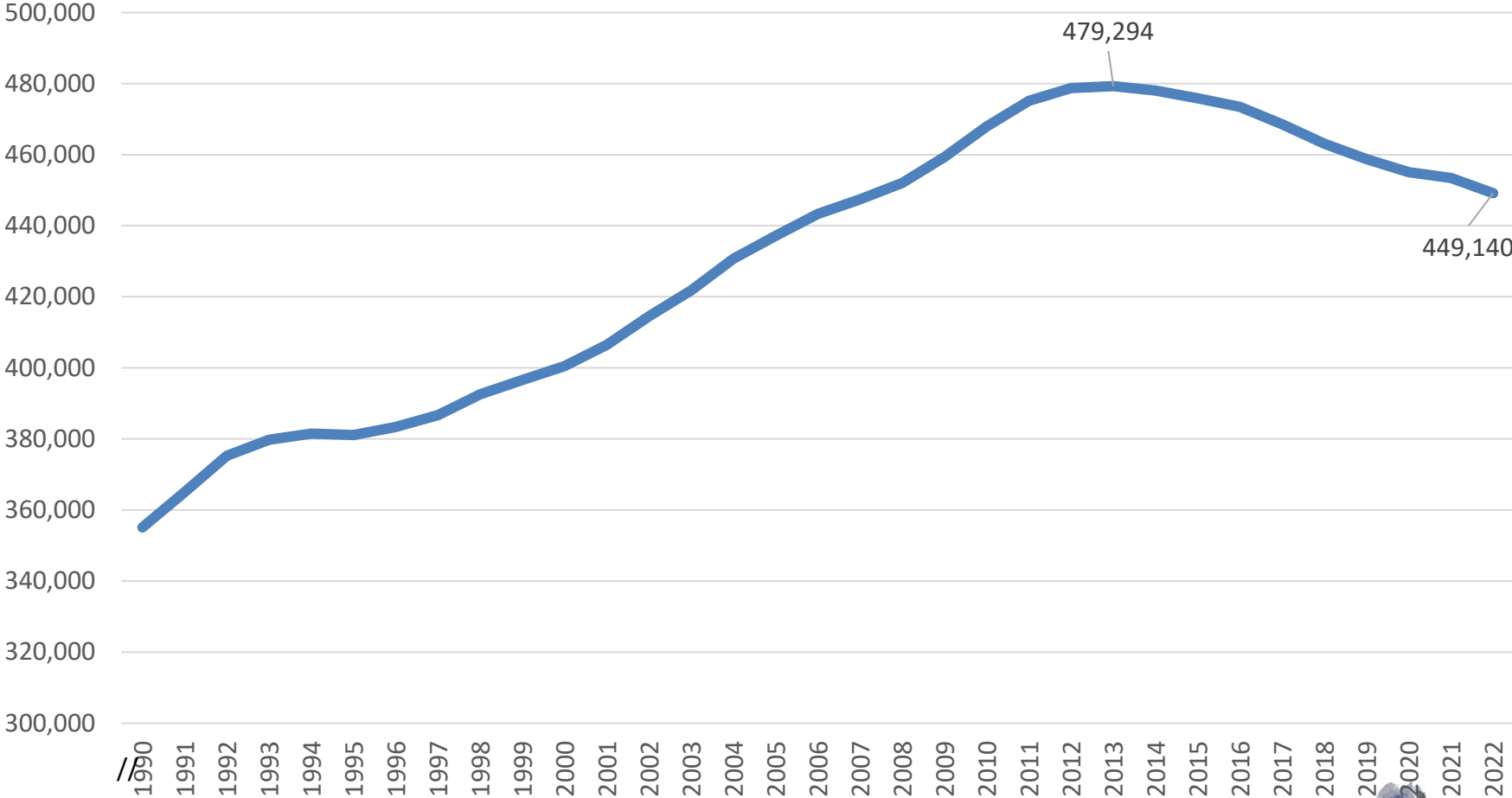


# Demographics Are Playing a Major Role (Two Parts)



# Alaska's Working-Age Population Peaked in 2013

## Alaska's Working Age Population (18-64), 1990-2022





# But *Total* Population Has Been Essentially Flat

Alaska Working-Age Population 2013: 479,000

Alaska Working-Age Population 2022: 449,000 **(-6.3%)**

Total Population 2013: 737,708

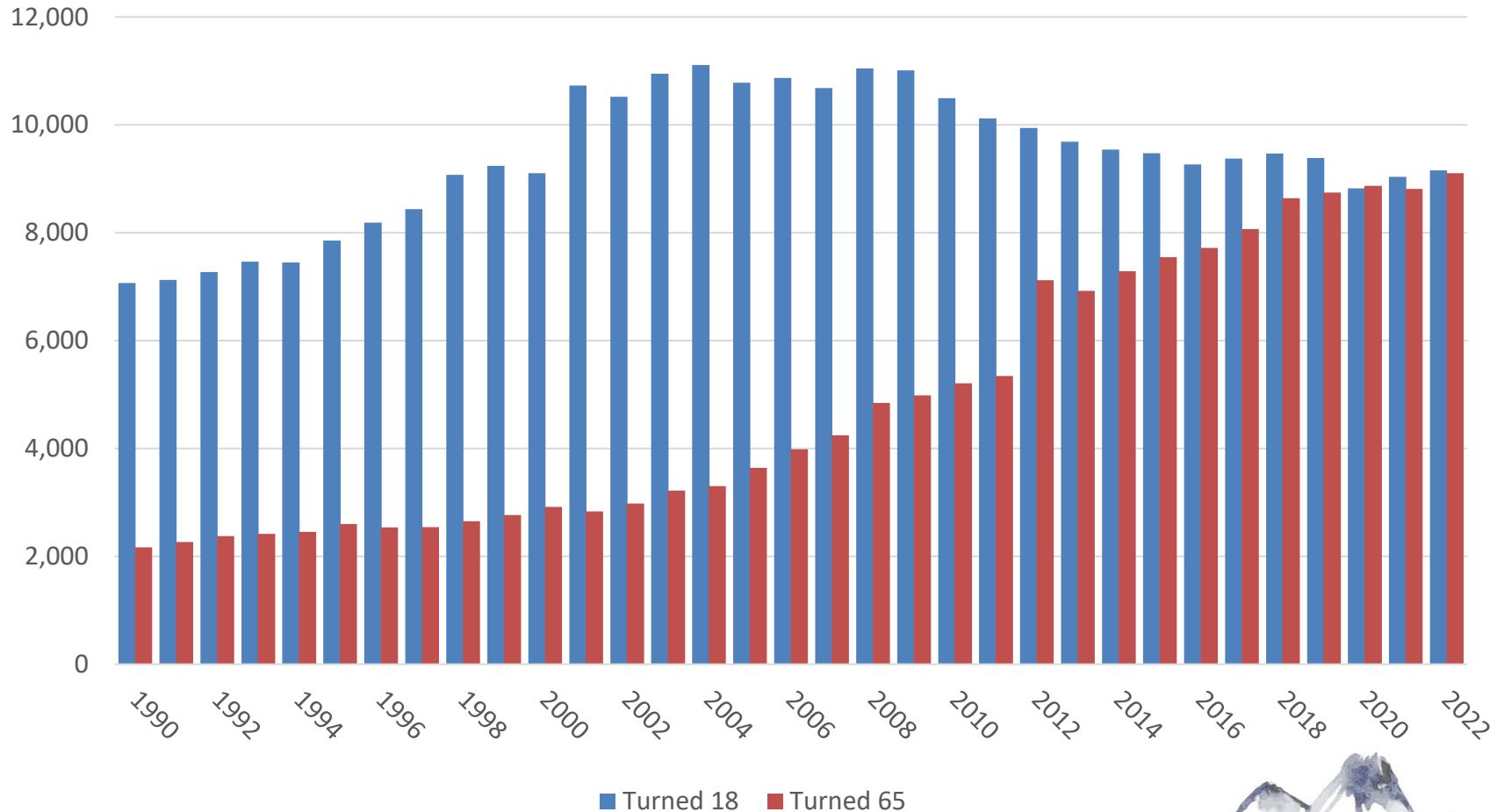
Total Population 2022: 736,556 **(-0.2%)**

Those kinds of population dynamics will lead to a lot of talk in the next few decades about “dependency ratios.”



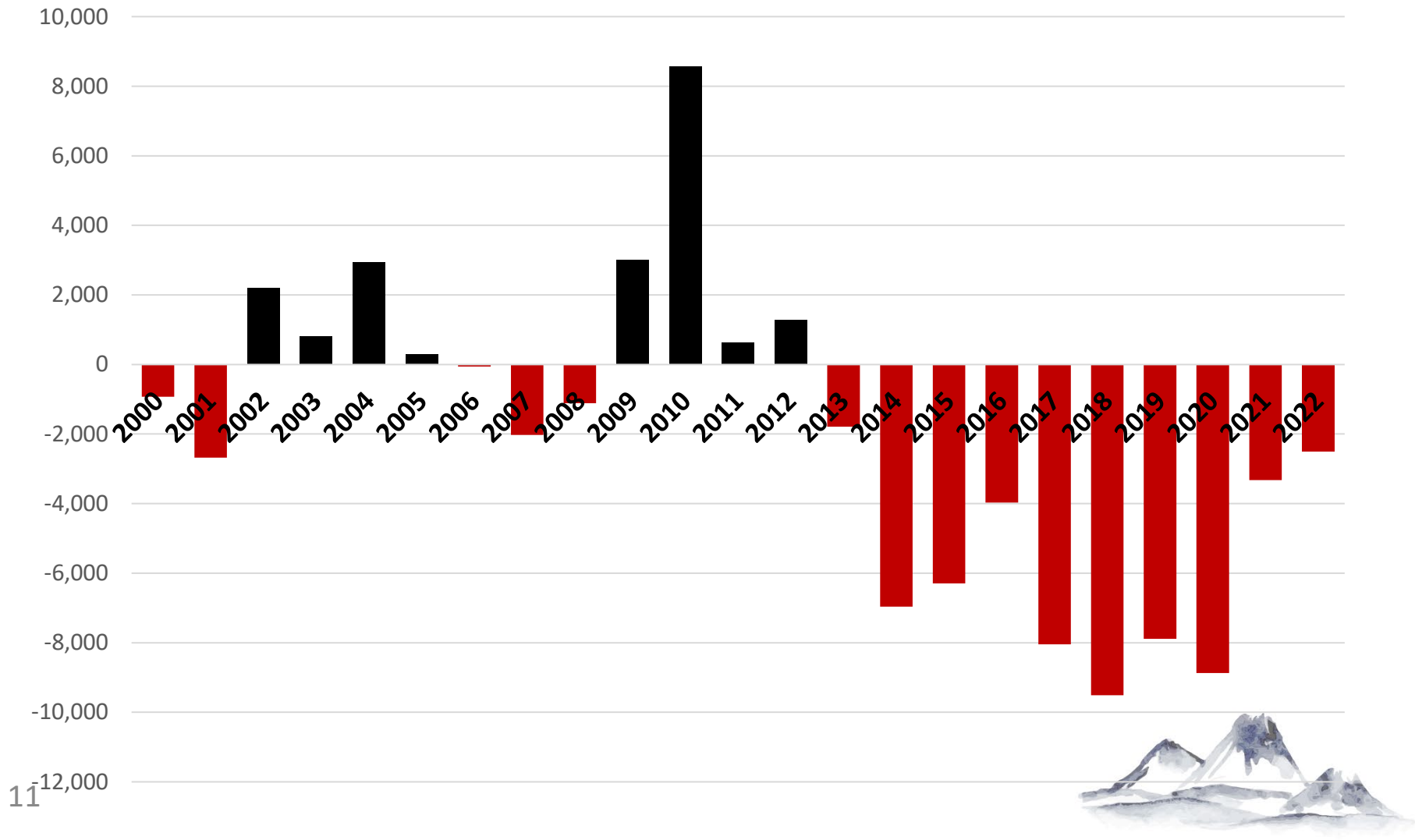
# Numbers Aging Out Now Equals Those Aging In

## Alaska Population Turning 18 and 65, 1990-2022



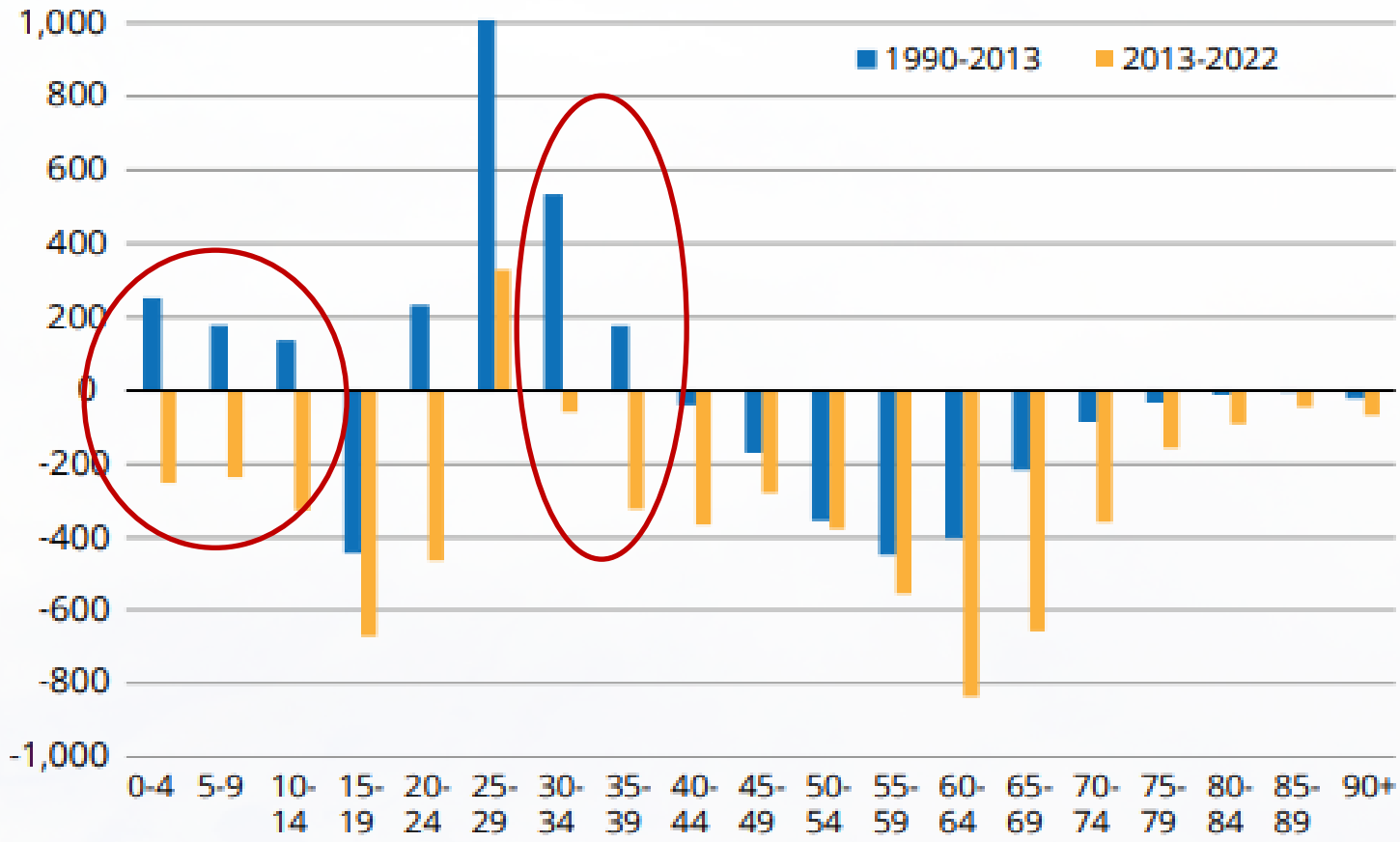
# More People Have Been Leaving AK Than Coming

## Alaska Net Migration, 2000-2022



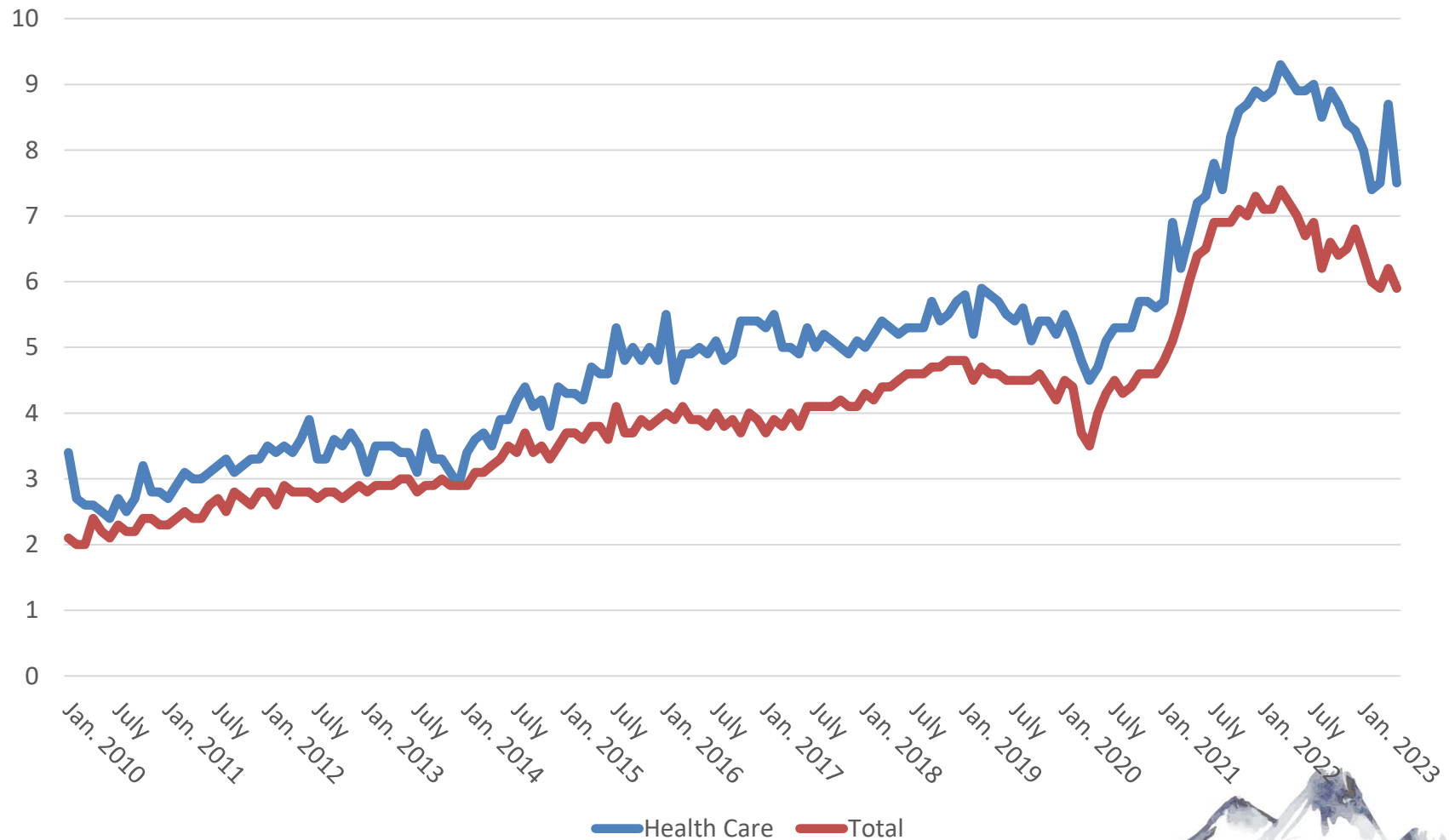
# A Few Key Age Groups Have Gone From Up to Down

## Yearly net migration declines in all age groups



# Worker Shortages are Not New for Health Care

U.S. Job Opening Rates, Health Care and Total



# Growth in Health Care Projected to Be Much Stronger Than Average, Out to at Least 2030



- Overall job growth projected to be 4.2 percent from 2020 to 2030.
- Health care growth projected to be 11.4 percent over the same period.
- Out of 25 fastest growing occupations, 14 are in health care.



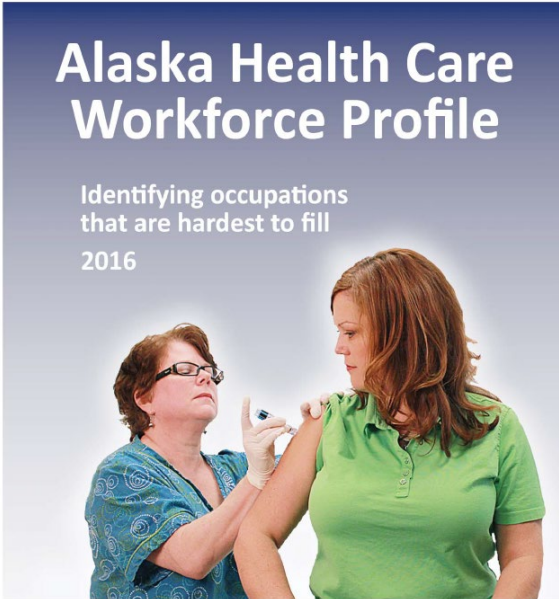
# Pre-Pandemic Study of Health Care Job Shortages

## Jobs That Were Most Difficult to Fill

- Psychiatric Nurse Practitioners, Psychiatrists, Rehabilitation Counselors

## Jobs That Were Least Difficult

- PT Aides, Medical Records Filing Clerks, EMTs, Pharmacy Techs





**Alaska Health Care Workforce Profile**


Identifying occupations that are hardest to fill  
2016

Alaska Department of Labor and Workforce Development  
Research and Analysis Section

In partnership with:

 UAA College of Health  
UNIVERSITY OF ALASKA, ANCHORAGE

 Trust  
Alaska Mental Health  
Trust Authority

 UAA Alaska Center for  
Rural Health and Health Workforce  
UNIVERSITY OF ALASKA, ANCHORAGE



# Pre-Pandemic Study of Health Care Job Shortages

## Jobs With Best Retention in Alaska

- Physical Therapists, Registered Nurses, Pharmacists, Occupational Therapists

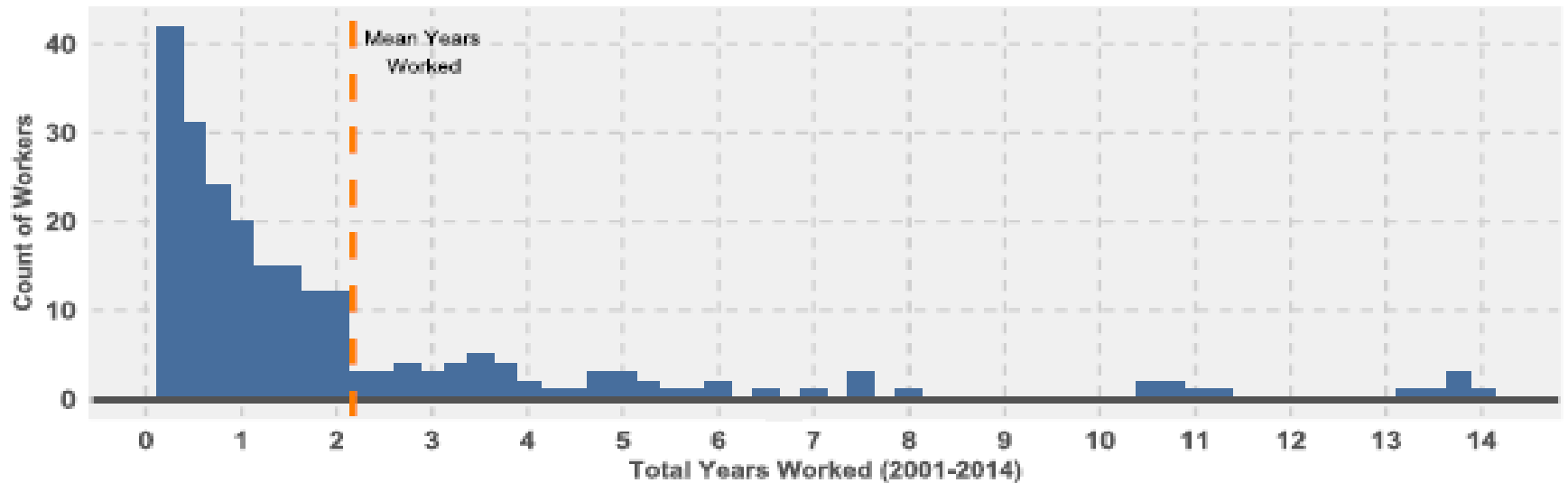
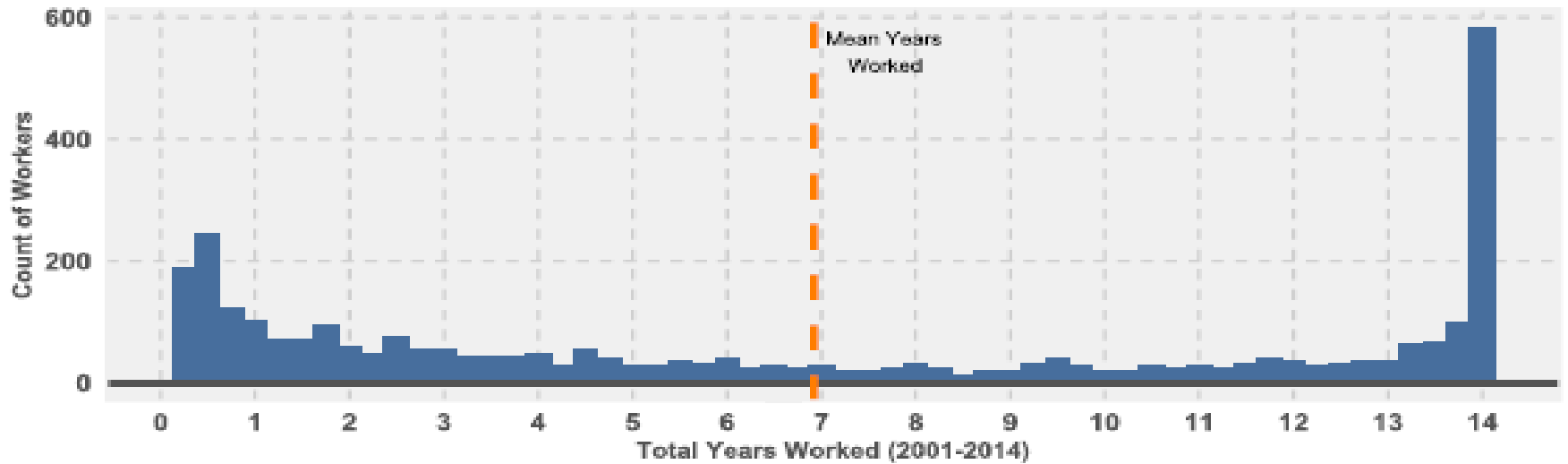
## Jobs With Worst Retention in Alaska

- Substance Abuse/Behavioral Disorder Counselors, Mental Health Counselors, Psychiatrists, Personal Care Aides, Home Health Aides





# Pictures of Good and Bad Retention



## Point Number One:

The current job market that strongly favors job seekers (lots of job openings and opportunities for job seekers, *especially in health care*) is unlikely to change any time soon.

It's much more than just a COVID thing, especially in Alaska, although the pandemic disruptions were a factor.

Smart employers will adapt and get better at recruitment and retention (to the extent they can).



# Moving to Next Point

It's been a rough decade for Alaska's economy. Our roughest since statehood, by most measures.



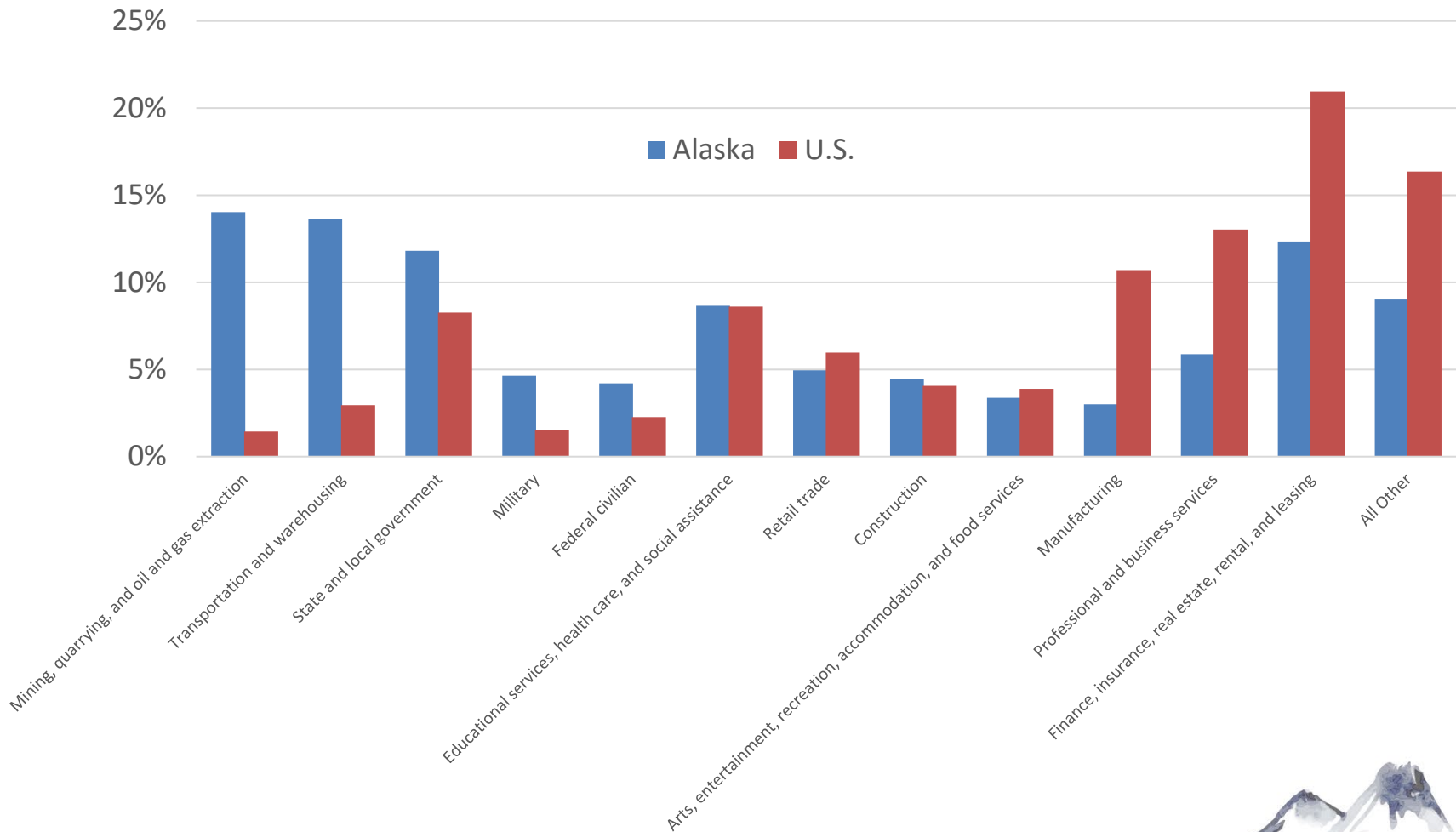
# Comparing GDP to Previous Decades' Numbers

- Average Annual GDP Growth 2013-2021: **-1.5 percent**
- Average Annual GDP Growth 2003-2012: 3.2 percent
- Average Annual GDP Growth 1993-2002: 0.8 percent
- Average Annual GDP Growth 1983-1992: 0.3 percent
- Average Annual GDP Growth 1978-1982: 9.5 percent



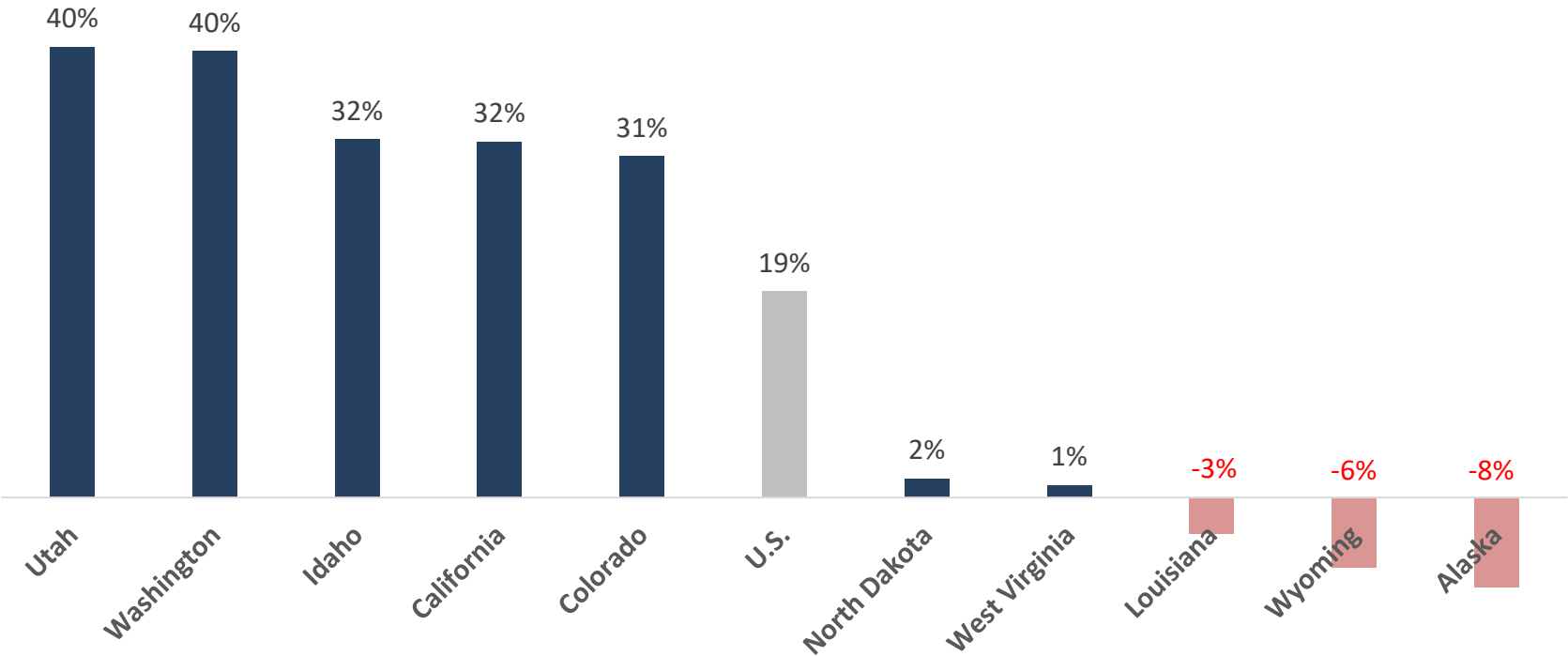
# How Our GDP Differs from U.S.

## Alaska and U.S. GDP, Percentages of Total, 2021



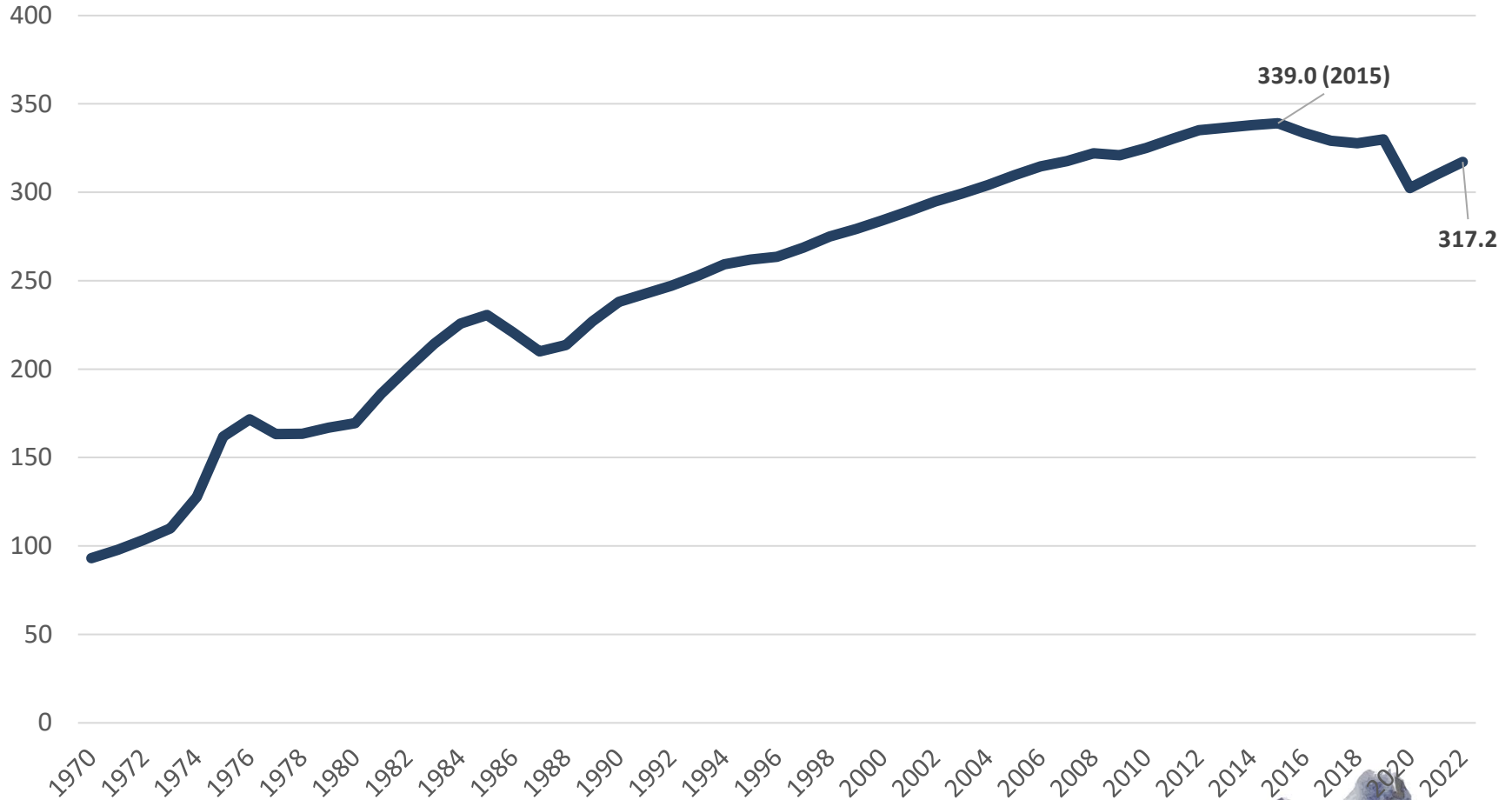
# Top/Bottom Five States by GDP Growth, 2013-2021

### Percent Change in GDP, 2013-2021



# Our History of Job Growth Back to 1970

## Alaska Employment, 1970-2022



# Comparing Job Numbers to Previous Four Decades

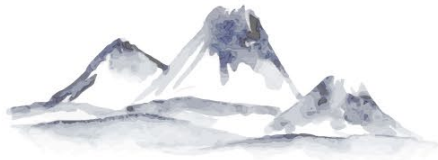
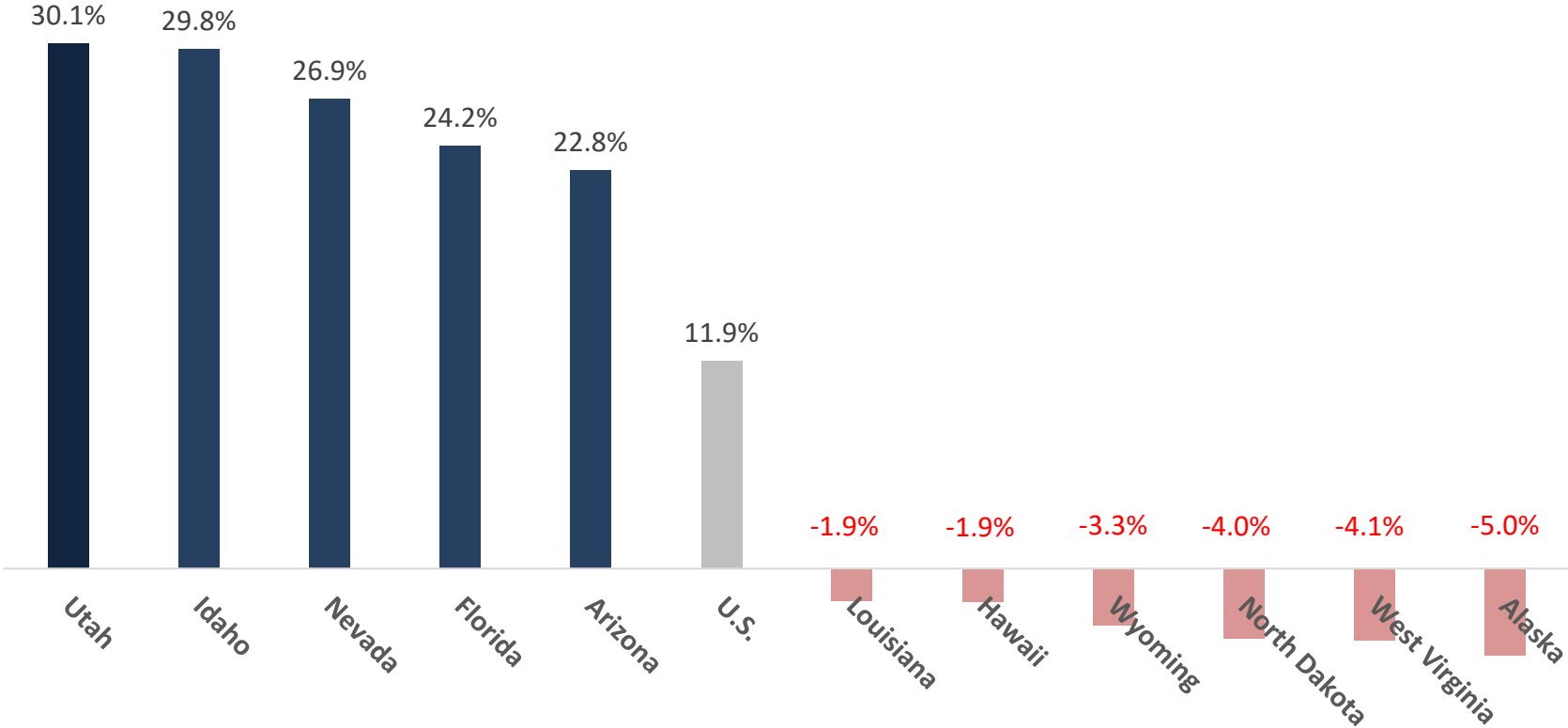
- Average Job Growth 2013-2022: **-0.5 percent**
- Average Job Growth 2003-2012: 1.3 percent
- Average Job Growth 1993-2002: 1.8 percent
- Average Job Growth 1983-1992: 2.2 percent
- Average Job Growth 1973-1982: 7.2 percent





# Top/Bottom States by Job Growth, 2013-2022

Percent Change in Employment, 2013-2022



# Transition for State Government Has Been Slow



How we described the budget situation four years ago:

## ***Harder choices lie ahead***

Even with the influx of nearly \$3 billion from investment earnings, the state expects revenue to fall short by about \$1.6 billion of the preliminary budget for fiscal year 2020. That means major choices remain, and none of the options are painless or universally popular.

All of our possible choices have pros and cons, and from an economic perspective, none will be cost-free. But until we make those decisions, our economy will struggle.



# Some Encouraging Signs in Most Recent Data

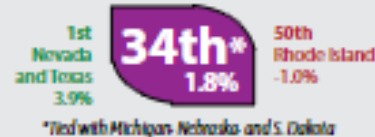
## How Alaska Ranks



### Unemployment Rate<sup>1</sup>



### Job Growth<sup>2</sup>



### Job Growth, Private<sup>2</sup>



### Job Growth, State Government<sup>2</sup>



### Job Growth, Leisure and Hospitality<sup>2</sup>

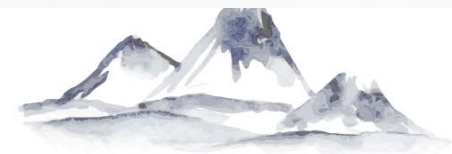


Note: State government employment includes the University of Alaska.

<sup>1</sup>May seasonally adjusted unemployment rates

<sup>2</sup>May employment, over-the-year percent change

Sources: U.S. Bureau of Labor Statistics; and Alaska Department of Labor and Workforce Development, Research and Analysis Section



# Moving to Point Number Three

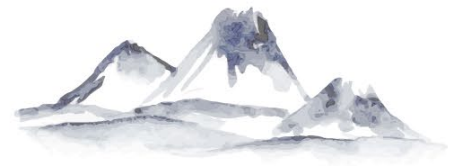
Alaska has strong and durable assets as we look ahead to what the national and world economies will need and want over the next several decades.



# Much to Like about Alaska's Economic Future

Those assets include:

- Large, lucrative, diverse fisheries
- Strategic location (for military and trade)
- World-class visitor industry
- Mineral wealth, much of it critical to energy transition
- *Cool*, clear air and plentiful water
- Oil and natural gas?
- A place people want to live?



# Contact Info:

[Dan.Robinson@Alaska.gov](mailto:Dan.Robinson@Alaska.gov)

907-465-6040

