

ALASKA ECONOMIC *TRENDS*

MAY 2021

Housing market remains steady

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The dependent allowance

FROM THE COMMISSIONER

Career and technical education is key to Alaska's success

By Dr. Tamika L. Ledbetter, Commissioner

Recently I presented to members of the Senate Finance Committee alongside my colleagues from the Department of Education and Early Development and the University of Alaska on our longstanding partnership to promote career and technical education. The Department of Labor and Workforce Development works closely with our partners to maximize financial resources and deploy them where they're most effective.

The State Career and Technical Education Plan, our collaboration, is a blueprint for this work. Career and technical education, or CTE, is not a new topic of discussion, but an ongoing effort to create successful and sustainable private and public training programs that prepare Alaskans for a variety of career paths.

During the recent hearing, I challenged listeners to think and speak differently about CTE. It isn't just a shop class in a local middle or high school, nor is it a program at a local college or the path a student takes once someone has deemed him or her "not college material." Rather, it's a strategic and coordinated effort to introduce students of all ages to skills that lead to high-growth, high-demand jobs.

The Department of Labor and Workforce Development is responsible for building and strengthening



a skilled workforce, and many state and federal training grant programs originate in the department. A few of the key resources available for career and technical education and training across the state include the State Training and Employment Program (STEP), the Technical Vocational Education Program

(TVEP), the Workforce Innovation and Opportunity Act (WIOA), and several other job training funds.

I encourage Alaskans interested in upskilling or acquiring the technical skills to start a new career to contact the Alaska Job Center network at (877) 724-2539 or jobs.alaska.gov. Counselors will connect you with the right training program and set up an Individual Training Account to provide the necessary grant funding.

In closing, I am heartened by the 32nd Alaska Legislature's focus on career and technical education. They are vital to the success of our CTE infrastructure, and our collaboration will give more Alaskans access to the resources they need to be successful now and in the future.

Contact Dr. Tamika L. Ledbetter, Commissioner, at (907) 465-2700 or commissioner.labor@alaska.gov.



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A Juneau neighborhood,
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Trends is a nonpartisan, data-driven magazine
that covers a range of economic topics in Alaska.

ON THIS SPREAD: The background image for 2021 is a cloudy sunset in Wasilla.
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Housing market remains steady

Low rates, better affordability, and limited supply for sale

By ROB KREIGER

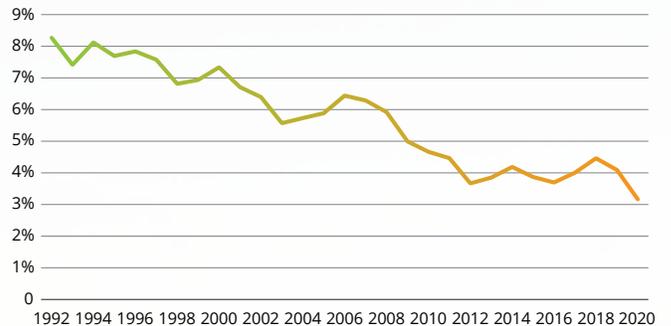
While the broader economy reeled from COVID-19 in 2020, Alaska's housing market remained unusually resilient. Record low interest rates led to a jump in refinancing, and more homebuyers stepped into the market as low rates and wage increases made housing more affordable than it had been since at least 1992. At the same time, limited availability nudged average sales prices higher as buyers competed for fewer houses on the market.

Although this might look like a housing boom, it's more a side effect of the pandemic than a sign of strength. Less new construction, few foreclosures, and sellers' reluctance to list during the pandemic further reduced the number of available homes. Shifting demographics and Alaska's aging population may also be restricting supply.

Drop in already-low interest rates led to more refinancing

In response to the economic crisis the pandemic

Interest rates hit a record low in 2020



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and the Alaska Housing Finance Corporation

brought on, the Federal Reserve cut the federal funds rate to zero. This sent yields on 10-year U.S. Treasuries downward, which brought interest rates to historic lows later in the year. Rates for 30-year fixed-rate mortgages in Alaska averaged 3.16 percent in 2020. In the third and fourth quarters, rates averaged less than 3.0 percent.

While these low rates likely attracted more potential homebuyers, the most dramatic and immediate effect was a rise in refinancing.

Low interest rates spurred a jump in refinancing



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and the Alaska Housing Finance Corporation

Refinancing of single-family homes picked up significantly in the second quarter of 2020 as many homeowners took advantage of the rate drop. Refinancing jumped more than 180 percent from the first to the second quarter and 520 percent compared to the second quarter of the previous year. These increases are significant for recent years, but they aren't records.

Alaska's refinancing numbers are only available back to 2006, but the historical relationship between interest rates and refinancing is clear. Regardless of how high interest rates are, when they drop, refinancing rises. However, low interest rates alone don't always spur significantly more refinancing.

Before 2020, interest rates had already been low for years, averaging in the 4 percent range. The incentive to refinance has more to do with the change in the rate than how low the rate is. The rate generally has to drop by a certain amount for the prospect to become economically viable.

Why recent years' population losses haven't flooded the market with homes

It might seem logical to assume we'd have a glut of houses on the market right now, given Alaska's population and migration losses in recent years. It's happened before. People sold and foreclosed on their homes and left the state in droves during the oil bust of the mid-1980s. But our current situation, both with the pandemic and the weak economy that preceded it, has little in common with that housing bust.

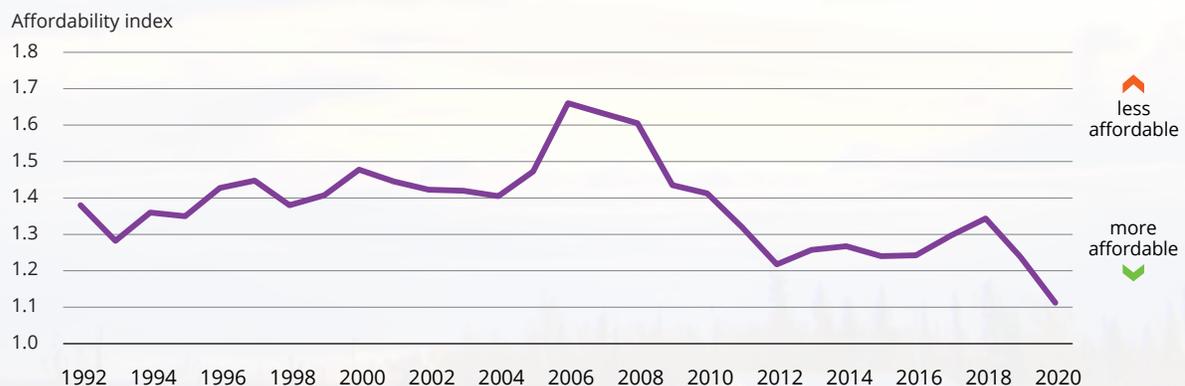
While Alaska has lost more movers than we've gained for the last eight years straight, it's been more about fewer people moving in than more people rushing for the exits. Alaska has a more rooted population than it had several decades ago, and the numbers of people leaving Alaska each year haven't differed much from the usual historical levels. In fact, the last two years' out-migration numbers were the lowest in a decade. But at the same time, the numbers moving in for the past two years were at a 20-year low.

Vacancy rates show that people who left Alaska in recent years tended to be renters. (See the August 2019 issue for more.) Rental vacancy rates have been rising for the past four years, hitting a 10-year high of 9.2 percent in 2020. The increase began in 2016, a few months after Alaska entered a three-year statewide recession and began losing jobs.

The rental vacancy rate probably climbed even further later in the year, as it was captured when the pandemic was still in its early stages. At that time, it was attributed to seasonal workers who would normally have moved into rental housing in early spring to prepare for summer work, but who hadn't arrived yet. Conditions worsened from that point, and many seasonal industries — especially tourism — ended up with no workers last year.

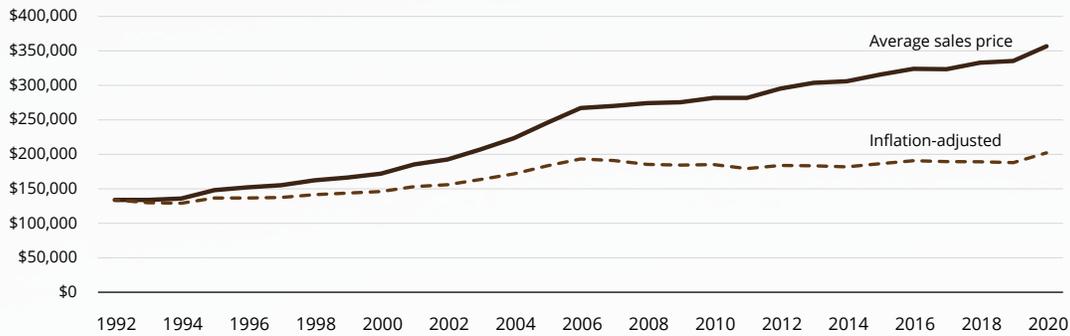
Although recent migration losses haven't flooded the market with houses and sent prices crashing, Alaska's tight housing market can't be considered a boom. For the housing market to truly boom, the number of people moving to Alaska would have to be much higher or at least rising. Conversely, for a housing market to crash, the number of people leaving would have to increase as the number migrating in stayed the same or declined.

Interest rates made housing more affordable despite rising prices



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and the Alaska Housing Finance Corporation

Alaska home prices rose in 2020 after a few relatively flat years



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and the Alaska Housing Finance Corporation

Toward the end of 2013, refinancing dropped off as interest rates began to rise. Despite topping 4 percent in 2014, rates stayed low by historical measures for much of the next six years. Refinancing stayed low but still responsive to small changes in interest rates over that time.

Rates will likely remain low for some time, but they show signs of ticking up. As a result — and if historical patterns hold — refinancing will likely slow in 2021.

Housing became more affordable

Low interest rates were mainly what brought housing to its most affordable levels on record in 2020, despite rising sales prices. Affordability varies significantly by area, as sales prices and wages also differ.

The Alaska Affordability Index measured a statewide value of 1.11 in 2020, meaning it would take one person's average monthly earnings, plus about another tenth, to afford the average monthly payment. (See the sidebar on this page.) This was the closest the index value has come to 1.0 since data were first collected in 1992.

Sales prices increased with fewer homes for sale

While low interest rates led to a refinancing spike, sales were also up in 2020 — although nowhere near the level to which refinancing rose. The number of loans for single-family houses climbed 13 percent over the year, and the total dollar volume grew 20 percent. Average sales prices rose as

About the affordability index

The Alaska Affordability Index represents the number of wage-earners needed to afford an average mortgage in their area. The lower the index value, the more affordable a house is.

The index value is an area's estimated average monthly mortgage payment for a 30-year conventional mortgage with a fixed interest rate on a single-family house, divided by the average monthly wage.

The average wage is based on wages employers report to the Alaska Department of Labor and Workforce Development when they submit their unemployment insurance tax reports each quarter.

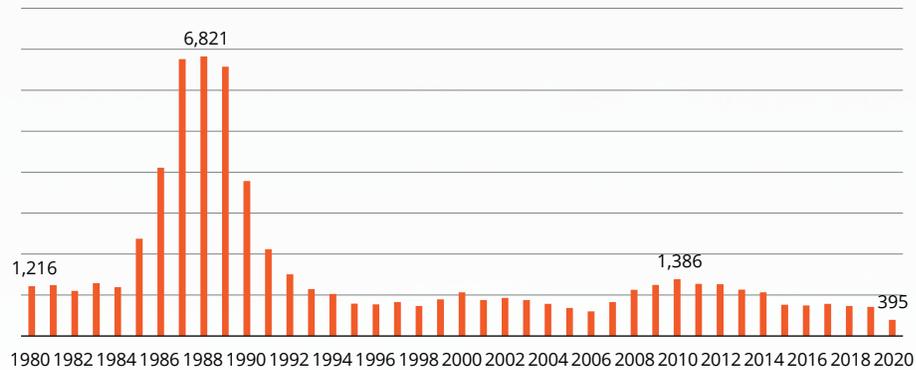
The estimated average monthly mortgage payment is based on the average sales price and fixed interest rate that mortgage lenders report to the department each quarter in the Survey of Alaska's Lenders, which we conduct with the Alaska Housing Finance Corporation.

well, by 6.4 percent over the year to reach nearly \$357,000.

Many prospective buyers apparently wanted to take advantage of low rates last year, but not enough homes were on the market to meet the demand. The Alaska Multiple Listing Service's data show active listings were low while sales were historically high. Combining those factors with fewer average days on the market and higher sales prices shows inventory was sparse and conditions were favorable to sellers.

Low supply was likely due to several factors, and not all were linked to the pandemic. The pandemic

Alaska foreclosures hit an all-time low in 2020



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and the Alaska Housing Finance Corporation

played a clear role, though, as potential sellers may have been reluctant to show their homes and held off on listing them.

Less residential construction also limited the supply, as it hit its lowest level since at least 1992. The pandemic probably caused some building projects to be put on hold, but new home construction had been trending downward for years. In fact, 2019 was the first year home-building had increased since 2014. With fewer new homes hitting the market, buyers had to wait for existing homes to become available.

limited the year's foreclosures to about 400, the lowest number on record. Since the housing market crash in the late 1980s, foreclosures have normally ranged from 600 to 1,300 each year.

Foreclosures will stay low for a while, but it's unclear how long or whether they will return to their pre-pandemic levels or move higher. It will also depend on improvement in the overall economy and the ability of people who are out of work and not making mortgage payments to get back on their feet.

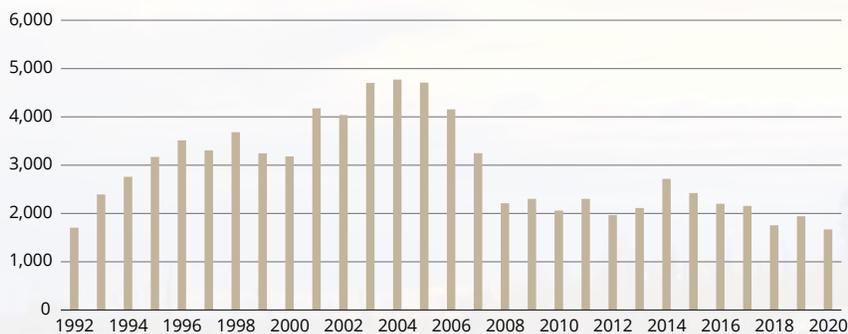
Pandemic relief measures halted foreclosures indefinitely

Foreclosures would usually put a small number of additional homes on the market, but homeowner protections put in place during the pandemic

An older population less likely to move may be another factor

The changing age structure of Alaska's population also appears to be contributing to a lack of homes for sale.

New home construction hit a low in 2020

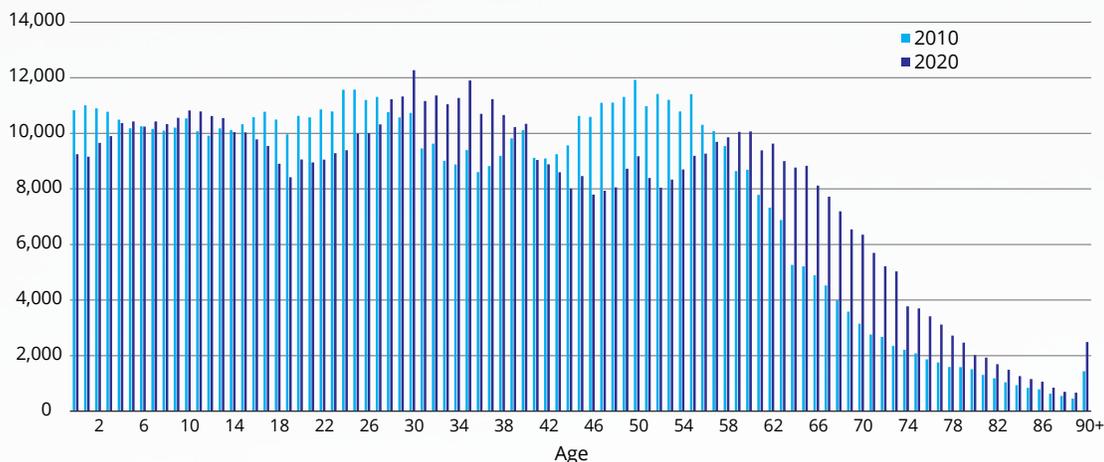


Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and the Alaska Housing Finance Corporation

Alaska's senior population is growing, not because more seniors are moving to Alaska but because the population is aging in place. Just 10 years ago, Alaskans 65 and older represented 7.7 percent of the population, and they are now an estimated 13.1 percent.

Seniors are less likely than younger age groups to move in general, and they may be staying in their homes longer. Their homes are often paid off or are close, and seniors have property tax incentives. People are

Alaska's population has shifted older over the past decade



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

also living longer, and more services are available.

Alaskans are also more rooted than they were in past decades, with multiple generations of many families living in the state.

Data on homeowners' ages aren't readily available, but to the extent that the older population is staying in their homes, a growing share of Alaska's housing stock is occupied by a segment of the population who might have no motivation to sell.

Millennials in their mid-30s driving more nationwide demand

Changing age structure might also be increasing

the demand for homes.

A growing body of national data suggests the average age of first-time homebuyers is getting older. For reasons ranging from high student debt levels to difficulty securing down payments, millennials are entering the housing market in their mid-30s rather than their late-20s/early-30s, as previous generations have.

If the national trend is true in Alaska, this could further explain the shortage of available homes for sale, because as the chart above shows, the state is home to a large group of people in their 30s right now.

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Transportation and the pandemic

2020 job losses hit tourism-linked categories the most

By SARA TEEL

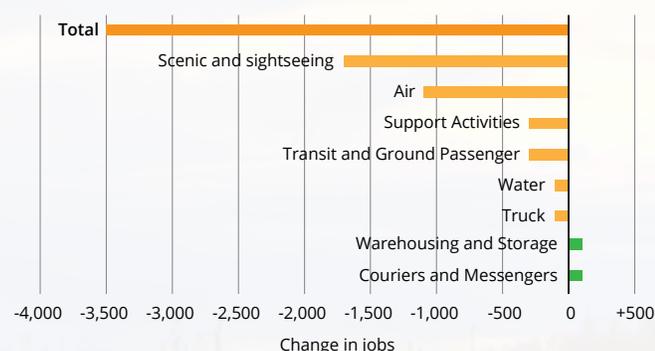
Travel restrictions to slow the spread of COVID-19 and the lack of tourism caused Alaska's transportation sector to lose just over 15 percent of its jobs last year. After leisure and hospitality, transportation's loss was second-largest at 3,500.

Transportation represents about 7 percent of Alaska's jobs, or nearly 8 percent if you include the state-run Alaska Railroad and Alaska Marine Highway System. Transportation jobs pay about \$70,000 a year — \$13,000 more than the state average — so the losses had an outsized effect on total wages.

Over the past decade, transportation had its ups and downs but never gained or lost more than 2.5 percent of its employment in a single year. Before the pandemic hit, the sector had been adding jobs for several consecutive years, beginning in 2017 when overall job losses from the statewide recession had begun to slow. Over the decade, transportation employment grew 7 percent.

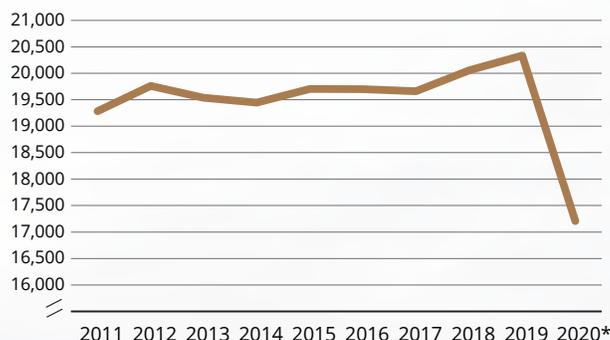
While the pandemic took its toll on transportation overall, its influence varied by category and area. Two categories even grew. In general, jobs

Tours took the biggest hit last year



Note: Based on the first three quarters of 2020
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Big dive for Alaska transportation jobs after a few years of growth



*First three quarters
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

associated with moving people were hit harder than those transporting freight or cargo.

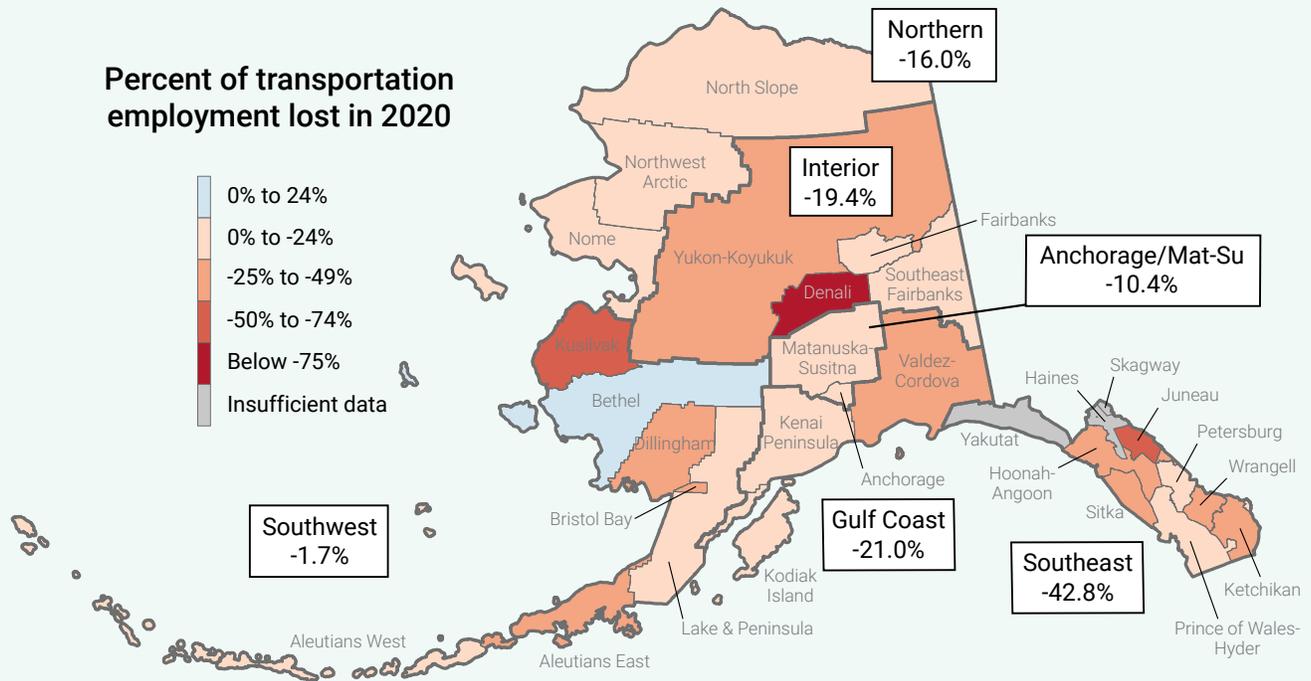
The biggest loser by far: Scenic and sightseeing transportation

When the pandemic hit in early 2020, it decimated the year's visitor season. The number of cruise ship passengers plummeted to just 50 from more than 1.3 million the year before, and the number of airline passengers also dropped sharply.

The scenic and sightseeing category caters to visitors, so it suffered the largest loss by far at two-thirds of its jobs during the first three quarters of 2020 (-1,700), a share that was over three times larger than the next-largest percent loss by category.

Scenic and sightseeing transportation includes all modes of transportation, from busing tourists from Anchorage to Denali or Fairbanks to float planes and boats conducting whale or glacier tours in Southeast Alaska. For more on scenic and sightseeing transportation losses by area, see the sidebar on the next page.

Percent of transportation employment lost in 2020



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Southeast lost the most because of canceled tourist season

Southeast Alaska lost the largest number and percentage of transportation jobs last year, as it was the region most vulnerable to cruise cancellations and the lack of tourists in general. Southeast shed 1,400 transportation jobs during the first nine months — a near-43 percent drop.

The majority of the losses, 800, came from Juneau and represented 51 percent of the capital city's transportation employment. Ketchikan was second, losing around 40 percent, or 300 jobs. Juneau and Ketchikan are the biggest communities in Southeast, and they are popular tourist destinations with the largest numbers of transportation businesses that cater to visitors.

Overall, 80 percent of Southeast's transportation losses came from scenic and sightseeing transportation.

The lack of visitors rippled north as well, as ship passengers visit other coastal ports such as Anchorage and take excursions to Denali National Park, Fairbanks, and other inland communities.

Anchorage shed about 10 percent of its transportation employment, a loss of about 1,000. Around 300 of those were from scenic and sightseeing transportation, which represented a 71 percent loss in that category.

Because Anchorage is the state's flight hub, half the city's losses came from air transportation, representing a 16 percent loss for that category. Without the jump in air

cargo volume, the losses would have been larger. (See the main article for more on passenger and cargo at the state's largest airports.)

The Interior shed about 450 transportation jobs, and almost three-quarters came from the Fairbanks area. Fairbanks also receives a significant number of tourists each year, so nearly half of its decline came from scenic and sightseeing transportation. Fairbanks lost more modest numbers from air, trucking, and ground transportation, at 50 to 60 jobs each.

About 100 of the Interior's lost jobs came from the Denali Borough, but they represented a 76 percent decline for that area.

The Gulf Coast's loss of about 400 jobs was more evenly spread across the Valdez-Cordova, Kenai, and Kodiak areas, with slightly less decline in Kodiak. Valdez-Cordova alone lost more water transportation employment than any region, mostly in oil transport. Kenai's biggest loss was in scenic and sightseeing transportation, while Kodiak lost more transportation support jobs.

While the Northern Region lost 16 percent of its transportation employment, the decline amounted to only around 100 jobs, mainly linked to oil and gas. Similarly, the Southwest Region lost just 20 jobs (-1.7 percent), likely because the remote region relies on the industry to provide basic services.

The only winners: Storage, warehousing, and couriers

People began to order more goods online last year to reduce their risk of exposure to COVID-19. Starting in April, cargo volume into the Anchorage and Fairbanks airports was nearly 18 percent higher each month than in 2019.

Demand for warehousing and storage grew as more goods were shipped, and using couriers and messenger services also allowed people to minimize contact.

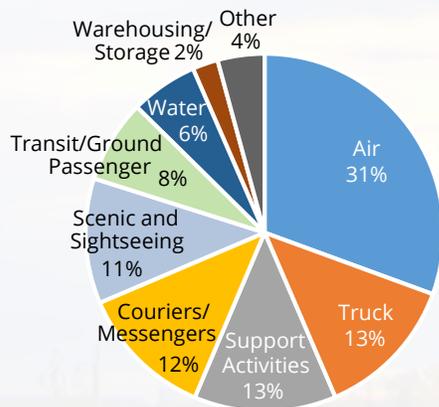
These categories bucked the loss trends, with each adding about 100 jobs: growth of 11.1 percent and 3.9 percent, respectively. Most gains were in Anchorage, the state's main cargo and freight hub.

Airline passenger numbers plummeted but cargo increased

Because Alaska lacks a comprehensive road system connecting most communities, Alaskans rely on air transportation for people and goods. At 31 percent, air represents the largest share of transportation employment.

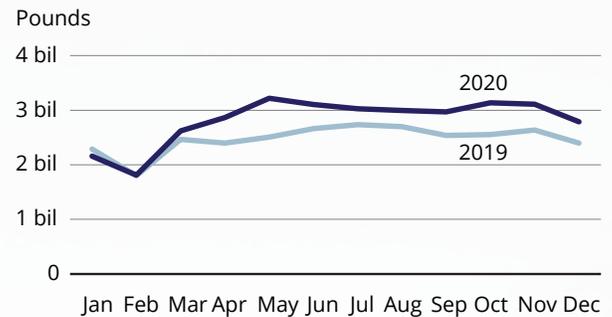
COVID-19 restrictions and health and safety concerns dramatically reduced the number of people flying last year. The biggest decline came in April when Ted Stevens Anchorage International Airport saw an 88 percent drop in outbound passengers. Juneau's numbers

Air is the largest slice of Alaska's transportation employment, 2019



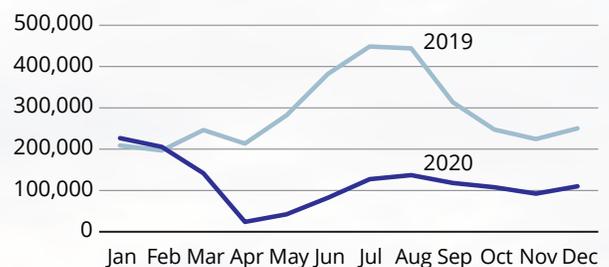
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Anchorage, Fairbanks air cargo volume grew with the pandemic



Source: Alaska International Airport Association

... but passenger enplanements dropped sharply in 2020



Source: Alaska International Airport Association

plunged 94 percent, and Fairbanks' dropped 92 percent. By December, passenger traffic had recovered somewhat but was still at half the previous December's volume.

Employment fell in concert. Alaska had more than 6,200 air transportation jobs in 2019, but that number dropped by about 1,000 in 2020 — a 17.1 percent decline.

While travel restrictions cost airlines a significant amount of revenue, a marked increase in e-commerce softened those losses for some. Anchorage is a major international cargo hub because it's less than 10 air hours from 90 percent of the industrialized world. More than 3.48 million tons of cargo landed at Ted Stevens International Airport in 2020, a 16 percent jump from the year before. (For more on Anchorage, see the sidebar on the previous page.)

It's also worth noting that Alaska has a unique rural mail delivery system, bypass mail, that likely eased the economic shock for some airlines and ensured

the continued delivery of goods to remote communities. Job numbers for bypass mail are hard to come by, as some of its jobs are federal and its contracted work isn't isolated in the data. But federal employment remained steady overall last year, and because bypass mail is legally mandated, it escaped the recent cuts to the U.S. Postal Service.

Bypass mail was implemented in the early 1980s to alleviate high volumes of mail and subsidize some of the high transportation costs that remote Alaska communities face. It allows Parcel Post mail to bypass postal sorting facilities and lifts the requirement that parcels be handled only by USPS personnel. Unlike traditional Parcel Post, which is limited to 70 pounds, bypass mail allows larger and heavier items such as televisions and pallets of soda.

By law, the USPS must pay private air carriers a set shipping rate, and it's often above the market rate. Because of that requirement, Alaska is the only place in the country that still has some regulated airline prices. The U.S. Department of Transportation bases the rate on fuel, labor, maintenance, and terminal fees, and calculates it so that airlines make a 15.5 percent annual profit on bypass mail. (For comparison, most airlines' annual profit margin is 2 to 3 percent.)

Most bypass mail is gathered in Anchorage and then flown to the bush. Only five carriers are approved to fly bypass mail from Anchorage and Fairbanks to regional hubs. From there, smaller carriers transport the parcels to their final destinations.

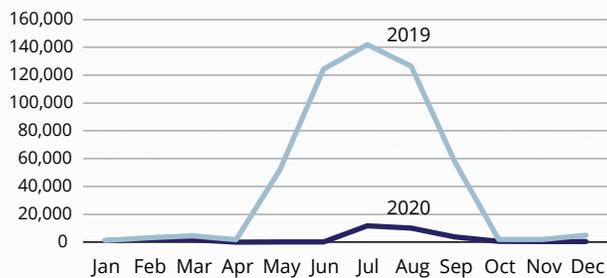
Water transportation losses weren't all caused by the pandemic

Water transportation has been critical to the development of Alaska's infrastructure, moving passengers and cargo for decades. With Alaska's higher air transportation costs, water sometimes provides an economical alternative.

Much of the cargo that enters Alaska comes through the Port of Anchorage, then travels by road or rail. Oil tankers leave Valdez to bring North Slope oil to market. While water transportation jobs in Alaska are concentrated near coastal communities, inland mines use river barges to ship materials in and ores and minerals out.

Employment in private water transportation fell 11.0 percent in the first three quarters of 2020 (-100 jobs). This excludes the state-run ferry system, although the Alaska Marine Highway plays a huge role in local

Railroad passenger numbers nearly bottomed out in 2020



Source: Alaska Railroad Corporation

economies, especially in Southeast. The ferries allow a lower-cost flow of goods and services to coastal communities, and they also provide local jobs and bolster tourism.

In recent years, the ferry system has been plagued by budget cuts, reduced routes, increased fares, and maintenance problems. Ferry system employment fell 11.6 percent in 2020; however, these losses were due to budget cuts rather than COVID-19. In fact, federal subsidies such as pandemic relief from the CARES Act likely prevented even steeper job losses from the ferries.

Railroad ridership came to a halt but subsidies kept it going

Aside from water, rail was one of the first major modes of transportation pre-statehood. Numerous private railroads sprang up before the 1920s when the Alaska Railroad was built. As the economy changed and air transportation began to take over, the private railroads began to disappear.

In the 1980s, when Alaska's economy was booming with high oil prices, the State of Alaska purchased the Alaska Railroad for \$22 million. The railroad transports passengers as well as freight such as gravel, petroleum, and coal.

Railroad jobs, which are part of state government, decreased by about 4.2 percent last year. While employment declined only modestly, riders almost disappeared. Ridership on the Alaska Railroad fell 94 percent from 2019 to 2020. In 2019, 47 percent of railroad riders were cruise ship passengers. In 2020, there were none.

Continued on page 15

Jobless claimants with dependents

Amount increased, cap lifted in 2020 with the pandemic

Claimants and dependents, 2011-2020

	Total claimants	Claimants w/ dependents	Percent w/ dependent	Dependent benefit amt
2011	61,449	22,157	36.1%	\$12,435,480
2012	57,532	20,871	36.3%	\$11,166,600
2013	55,265	20,201	36.6%	\$10,886,424
2014	49,826	18,254	36.6%	\$9,563,832
2015	42,138	15,301	36.3%	\$7,577,808
2016	43,017	15,427	35.9%	\$8,055,648
2017	38,086	13,576	35.6%	\$6,785,184
2018	33,664	11,758	34.9%	\$5,741,976
2019	28,781	9,757	33.9%	\$4,787,112
2020	86,307	25,210	29.2%	\$45,682,056

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

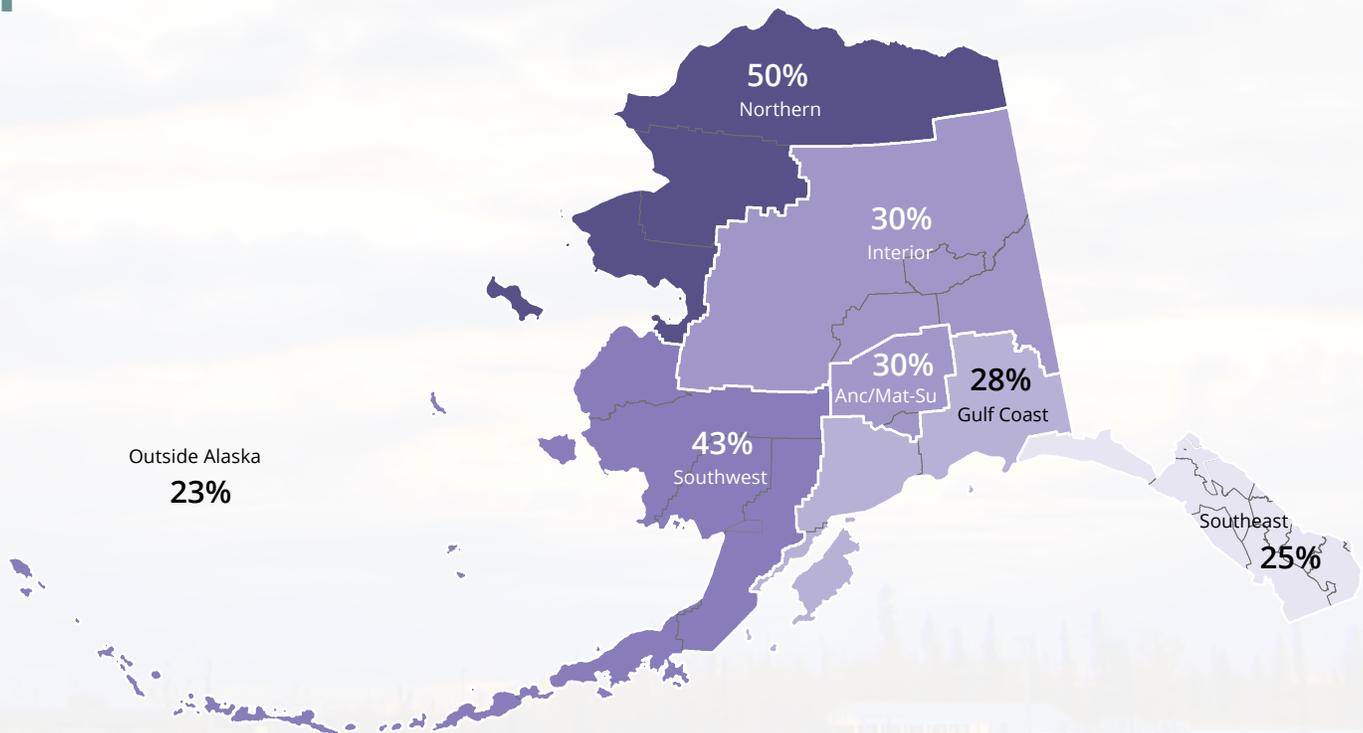
By LENNON WELLER

In addition to the regular weekly benefit, unemployment insurance claimants in Alaska can collect a flat amount per dependent. The dependent allowance, intended to help those who are out of work and supporting children,¹ has been in effect since October 1980. Until last year, it provided an additional \$24 per week per dependent, to a maximum of three.

In March 2020, at the beginning of the pandemic, the Alaska Legislature increased the per-dependent benefit from \$24 to \$75 and

¹A family member over 18 in a claimant's care can qualify as a dependent if that person has a permanent disability.

Percent of unemployment claimants with dependents, by area, 2020



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

lifted the cap on the number of dependents a person can claim.

Typically, the amount paid out in dependent benefits for Alaska claimants ranges from \$5 million to \$13 million a year. With the pandemic and the increases in the amounts allowed, Alaska's unemployment insurance system and the federal pandemic relief extension programs² paid out about \$55 million for dependents last year. For context, that amount is roughly half of what total benefits cost the year before.

More than 86,000 people collected at least one week of unemployment benefits in 2020 — up from 28,781 the year before — and roughly 25,210 of those claimed at least one dependent.

Industries affected changed the percentage with dependents

Over the past decade, the proportion of yearly claimants with at least one dependent had been stable at around 35 percent. In 2020, it fell to just over 29 percent.

The industries hit hardest by the pandemic were the main reason the percentage declined, as they were also the industries whose workers were least likely to have dependents. These included the arts, accommodations, food service, retail, and seafood processing industries, which have more part-time positions and younger workers and are more likely to be seasonal.

The industries with high percentages of dependent claims were health care and social assistance, and finance and insurance.

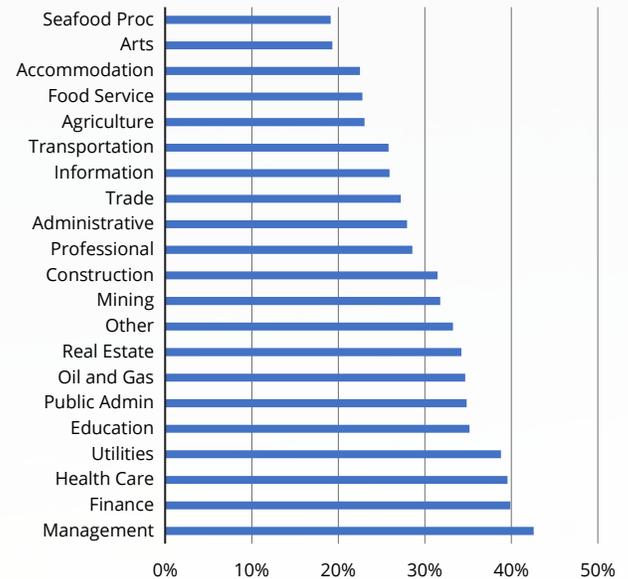
Increase in allowance bumped wage replacement up to 90%

With the dependent allowance raised to \$75 per child, these claimants' dependent allowances alone amounted to an average of 75 percent of their regular weekly benefit amount.

The larger dependent allowance also bumped up the wage replacement rate from 47 percent to 90

²Does not include Pandemic Unemployment Compensation, or PUA. For more on these programs, which covered people who exhausted their regular benefits or otherwise weren't eligible for regular unemployment insurance benefits, see the February 2021 issue of *Trends*.

Rate of claimants with dependents varied by Alaska industry, 2020



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

percent last year, and that's not including the \$600 per week in pandemic relief the federal government tacked on to all benefit payments. In other words, average claimants with dependents in 2020 received about 90 percent of what they'd been making at work before losing their job, plus a \$600 per week federal add-on.

Digging further into the data shows the proportion of claimants with dependents varied considerably by area and gender as well as industry.

Regional percentages varied

The Anchorage/Matanuska-Susitna Region had the largest *numbers* of total filers in 2020 (42,938) and claimants with dependents (12,710), in line with the large population.

However, the percentages who had dependents varied by region, as the map on the previous page shows.

The Northern and Southwest regions had the highest percentages with dependents. These regions are young, with larger households. Industry makeup is another factor, as the industries affected most by the pandemic were concentrated in urban areas. In the rural Southwest and Northern regions, job losses were spread more evenly.

The lowest rate was among filers from outside the state. Nonresidents are more likely than residents to hold remote or seasonal jobs such as seafood processing or oilfield work.

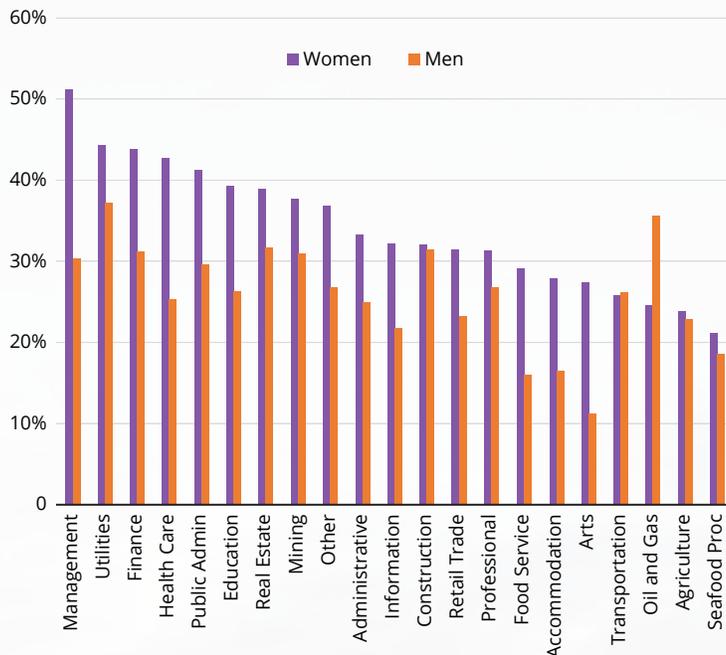
Women more likely to claim dependents

Twenty-five percent of men claimed a dependent in 2020 (11,768) and 34 percent of women did (13,442). Overall, women filed more dependent claims than men, both in numeric and percent terms, reflecting that women are more likely to be children’s primary caregivers.

Only oil and gas and transportation — industries whose workers are mostly men — had higher shares of men claiming a dependent.

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Percent with dependents by gender, industry



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

TRANSPORTATION AND THE PANDEMIC

Continued from page 12

Ground transit fell more, but trucking also lost jobs

The ground transportation and transit category includes mass transit such as subways or elevated rail — which don’t exist in Alaska — as well as buses, taxis, limousines, and shuttles, which do. School buses are in this category as well, and they represent a significant number of ground transit jobs in Alaska. This category took a hit last year from school

closures and less travel and lost around 300 jobs, which was about 18.6 percent.

Trucking is the second-largest transportation category in Alaska, and about three-quarters of its jobs are centered in Anchorage and Fairbanks. While trucking moves goods rather than people, it too lost a modest number of jobs in 2020. Trucking employment fell about 4.2 percent, or around 100 jobs.

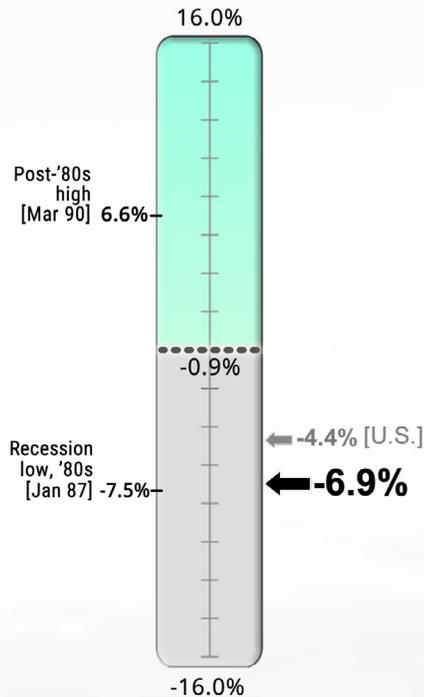
Sara Teel is an economist in Juneau. Reach her at (907) 465-6027 or sara.teel@alaska.gov.

Gauging The Economy



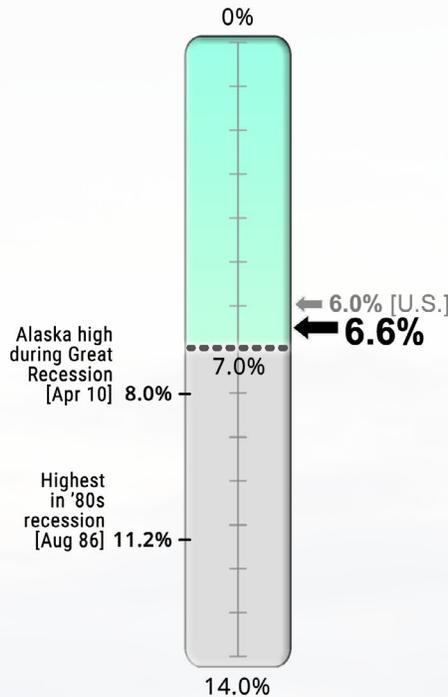
Job Growth

March 2021
Over-the-year percent change



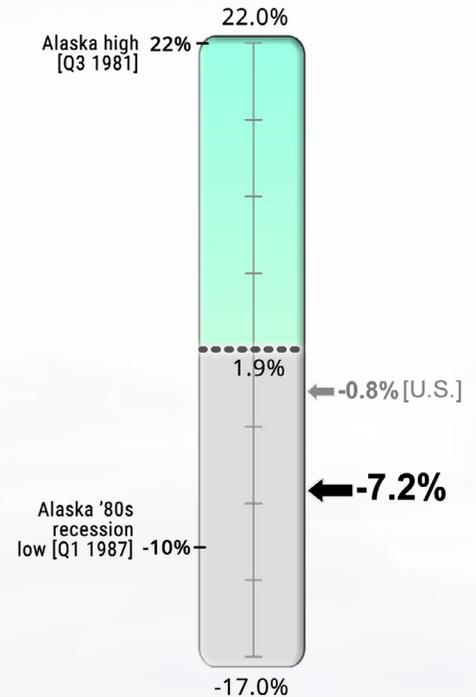
Unemployment Rate

March 2021
Seasonally adjusted



Wage Growth

3rd Quarter 2020
Over-the-year percent change



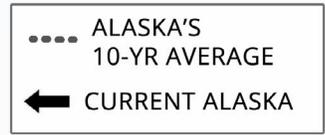
➤ The shutdowns to slow the spread of COVID-19 caused a rapid drop in employment, beginning in April 2020. January 2021 was the first month that COVID-related job losses were not as deep as Alaska's losses during the 1980s recession.

➤ Alaska's unemployment rate rose in January and has remained flat, but the lower rates in recent months are due to technical issues with the way the U.S. Bureau of Labor Statistics calculates them and are far less useful than normal for assessing economic health.

➤ After 10 straight quarters of wage growth, Alaska's total wages fell dramatically with the pandemic.

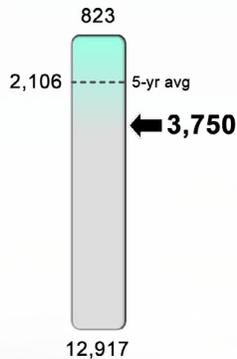
➤ Wage losses grew in the third quarter of 2020 as oil and gas job losses worsened and seafood processing, transportation, and federal wages all fell further below 2019 levels.

Gauging The Economy



Initial Claims

Unemployment, week ending April 10, 2021**

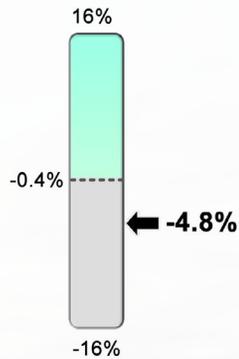


➤ Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services, and they remain elevated.

**Four-week moving average ending with specified week

GDP Growth

4th Quarter 2020 Over-the-year percent change*

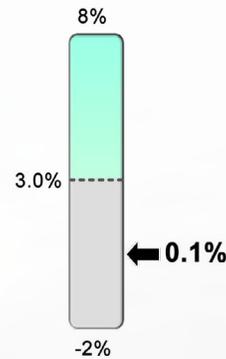


➤ Gross domestic product is the value of the goods and services a state produces. Alaska's GDP dropped significantly when COVID-19 hit, but is slowly recovering.

*In current dollars

Personal Income Growth

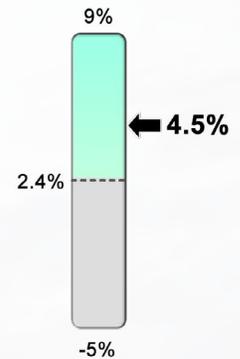
4th Quarter 2020 Over-the-year percent change



➤ Personal income includes wages as well as transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. Growth slowed in the first quarter of 2020, then jumped with transfer payments in the second and third quarters before slowing again in the fourth quarter.

Change in Home Prices

Single-family, percent change from prior year, Q4 2020**

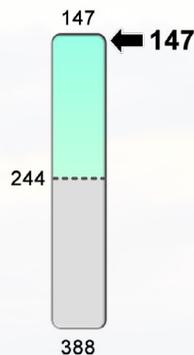


➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

**Four-quarter moving average ending with specified quarter

Foreclosures

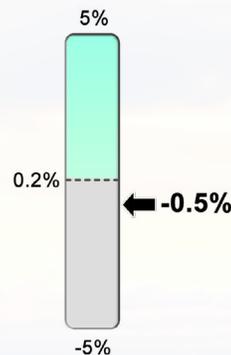
1st Quarter 2020



➤ Because of the pandemic, there has been an indefinite moratorium on foreclosures since the second quarter of 2020.

Population Growth

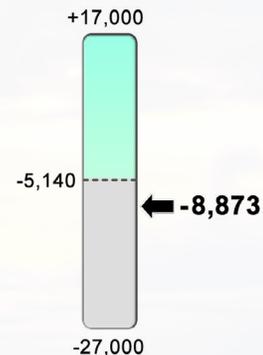
2019 to 2020



➤ This was the fourth straight year of population decline.

Net Migration

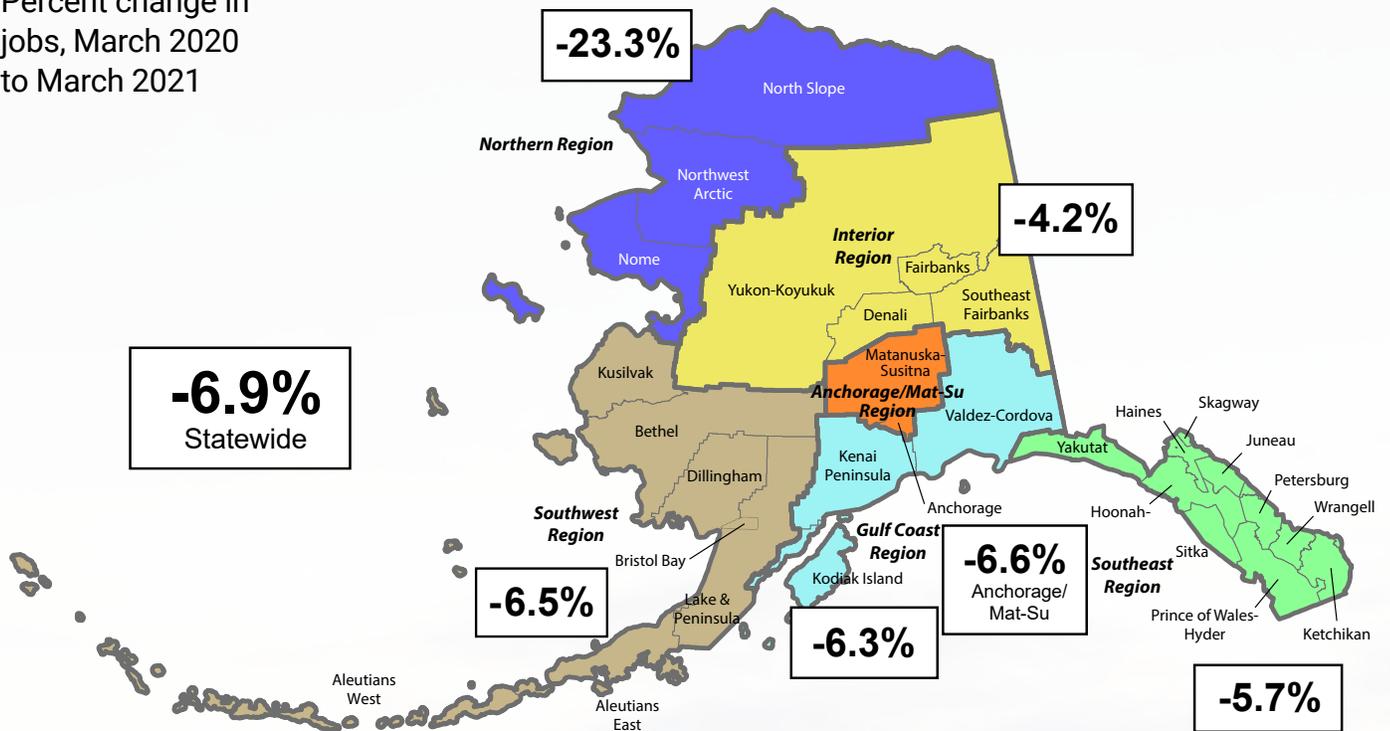
2019 to 2020



➤ The state had net migration losses for the eighth consecutive year in 2020. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, March 2020 to March 2021



Seasonally adjusted

	Prelim.	Revised	
	3/21	2/21	3/20
United States	6.0	6.2	4.4
Alaska	6.6	6.6	5.1

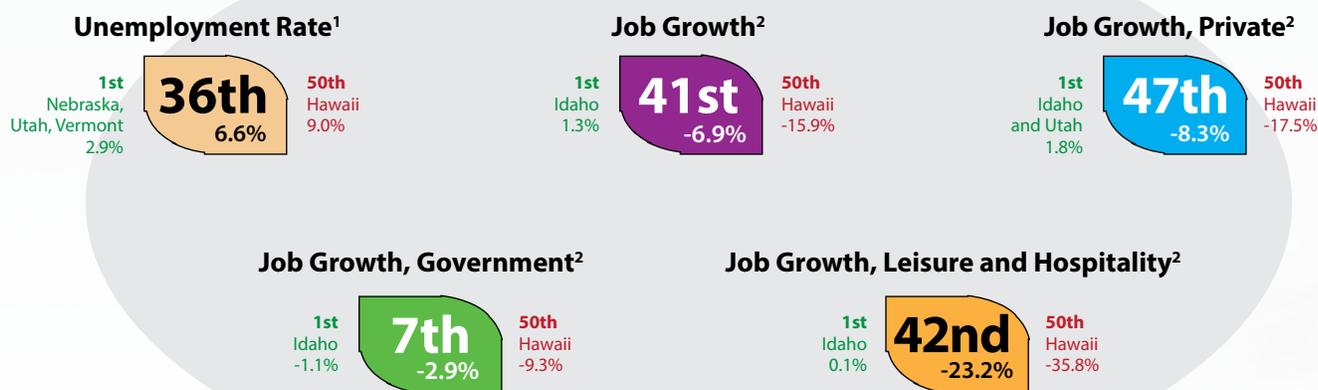
Not seasonally adjusted

	Prelim.	Revised	
	3/21	2/21	3/20
United States	6.2	6.6	4.5
Alaska	7.1	7.1	6.2

Regional, not seasonally adjusted

	Prelim.	Revised			Prelim.	Revised			Prelim.	Revised	
	3/21	2/21	3/20		3/21	2/21	3/20		3/21	2/21	3/20
Interior Region	6.2	6.1	6.0	Southwest Region	8.8	8.5	8.9	Southeast Region	7.3	7.5	6.7
Denali Borough	15.9	16.2	17.8	Aleutians East Borough	2.0	1.9	2.4	Haines Borough	14.3	15.8	15.3
Fairbanks N Star Borough	5.6	4.9	5.2	Aleutians West Census Area	1.9	2.1	2.0	Hoonah-Angoon Census Area	13.7	13.6	15.1
Southeast Fairbanks Census Area	7.2	7.1	8.3	Bethel Census Area	12.2	12.0	11.8	Juneau, City and Borough	5.5	5.7	4.4
Yukon-Koyukuk Census Area	11.7	22.4	13.8	Bristol Bay Borough	13.0	11.8	15.2	Ketchikan Gateway Borough	8.8	8.6	7.7
Northern Region	9.5	8.6	9.1	Dillingham Census Area	8.1	8.0	8.4	Petersburg Borough	8.9	8.5	9.8
Nome Census Area	9.6	8.4	10.6	Kusilvak Census Area	20.0	19.5	21.4	Prince of Wales-Hyder Census Area	8.8	9.4	10.2
North Slope Borough	6.6	6.7	4.6	Lake and Peninsula Borough	9.4	10.4	11.6	Sitka, City and Borough	5.6	6.4	4.7
Northwest Arctic Borough	12.2	10.7	13.0	Gulf Coast Region	8.5	8.5	7.4	Skagway, Municipality	17.6	19.5	19.8
Anchorage/Mat-Su Region	6.9	6.8	5.6	Kenai Peninsula Borough	8.9	8.8	7.6	Wrangell, City and Borough	7.6	7.9	7.6
Anchorage, Municipality	6.6	6.5	5.0	Kodiak Island Borough	5.8	6.1	4.4	Yakutat, City and Borough	10.2	9.1	10.0
Mat-Su Borough	7.7	7.4	7.2	Valdez-Cordova Census Area	10.0	9.8	10.7				

How Alaska Ranks



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹March seasonally adjusted unemployment rates

²March 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

Other Economic Indicators

	Current	Year ago	Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	227.258 2nd half 2020	228.495	-0.54%
Commodity prices			
Crude oil, Alaska North Slope, * per barrel	\$65.60 Mar 2021	\$33.21	+97.52%
Natural gas, residential, per thousand cubic feet	\$10.58 Jan 2021	\$10.55	+0.28%
Gold, per oz. COMEX	\$1,770.60 4/19/2021	\$1,711.20	+3.47%
Silver, per oz. COMEX	\$25.84 4/19/2021	\$15.75	+64.06%
Copper, per lb. COMEX	\$4.25 4/19/2021	\$2.34	+81.62%
Zinc, per MT	\$2,821.91 4/19/2021	\$1,940.07	+45.45%
Lead, per lb.	\$0.92 4/19/2021	\$0.74	+24.32%
Bankruptcies			
Business	75 Q4 2020	92	-18.48%
Personal	7 Q4 2020	6	+16.67%
Personal	68 Q4 2020	86	-20.93%
Unemployment insurance claims			
Initial filings	14,852 Mar 2021	32,128	-53.77%
Continued filings	64,297 Mar 2021	51,678	+24.42%
Claimant count	16,397 Mar 2021	14,245	+15.11%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Energy Information Administration; Kitco; U.S. Census Bureau; COMEX; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit