

Alaska's working-age population continues its long decline, a headwind for the economy

By [Alex DeMarban](#)

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Downtown Anchorage. (Loren Holmes / ADN)

Alaska's working-age population continued its long-term decline in 2023 as more people continue to leave the state than move here, according to annual [data](#) released this month by the Alaska Department of Labor and Workforce Development.

The shortage of working-age residents, those between the ages of 18 and 64, is holding back economic growth, economists and business leaders say.

And while Alaska's overall population has stabilized, residents are continuing to grow older while the birth rate is falling, adding to long-term concerns to about the workforce, they say.

David Howell, the state demographer, said the U.S. economy's healthy labor market is a key factor in the net migration losses and the worker shortage.

Historically, more people moved to Alaska from the Lower 48 than they do now, as they sought better job opportunities.

But that hasn't been the case for many years, he said.

"It's a job-seekers market," he said of the national economy. "You can get a job without having to move across state lines. And Alaska is a huge move for people."

They're not coming'

The state has now experienced [11 straight years](#) of net population outflows, [data](#) shows.

That's much longer than the previous record of four straight years. That happened in the mid-1980s, and again in the mid-1990s.

[Earlier: [Alaska's working-age population has declined since 2013 peak, and recovery appears dim](#)]

The outmigration has slowed the past few years. But 3,246 more people moved away from Alaska last year, compared to those moving here.

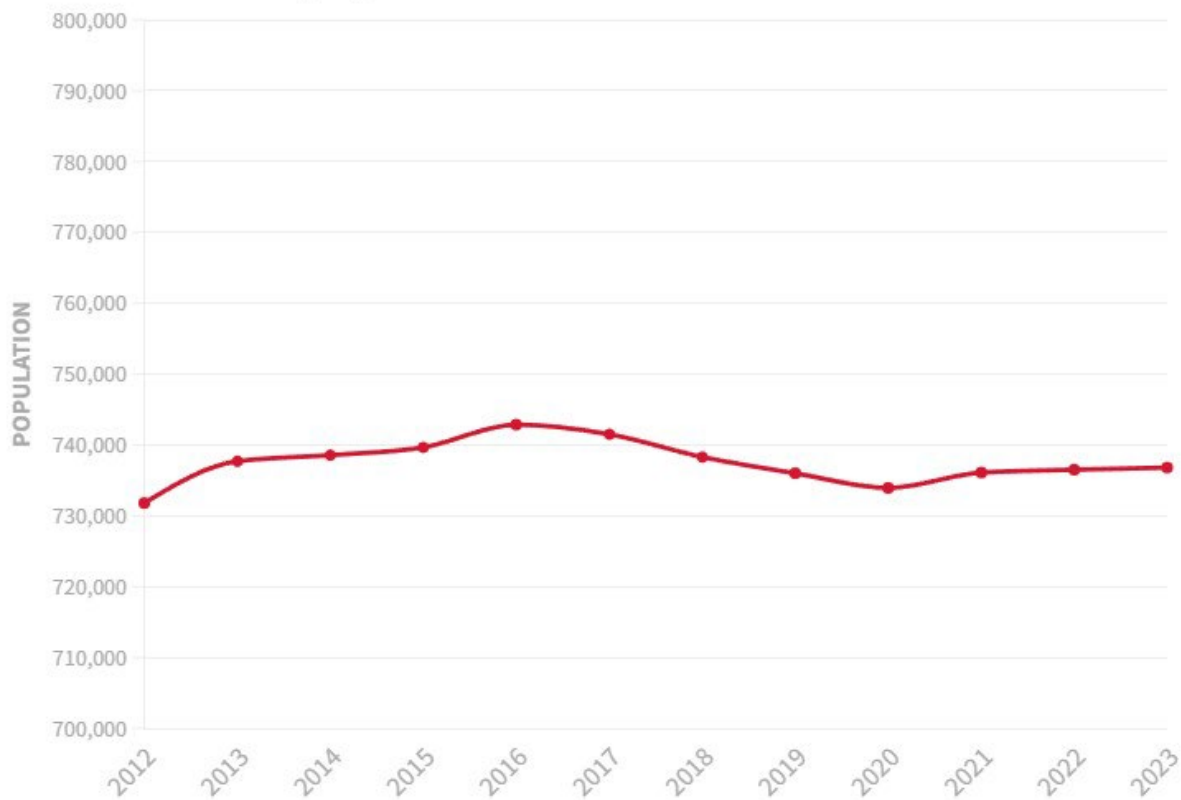
"It's not that everyone all of a sudden is leaving," Howell said. "It's that they're not coming."

Movers are often typically people in their 20s and 30s. Fewer of those people moving to Alaska and starting families has helped contribute to a declining birth rate for the last decade, he said.

The trends have led to a declining [youth population](#) and school enrollments. It's helped [boost the average](#) Alaskan age to 36.5 years old, about a decade older than in 1980, but still a bit younger the average American, the data shows.

The state's migration losses were offset in part by fewer deaths than the year before. Alaska's overall population grew slightly to 736,812, up by 300 residents or .04%.

Alaska overall population



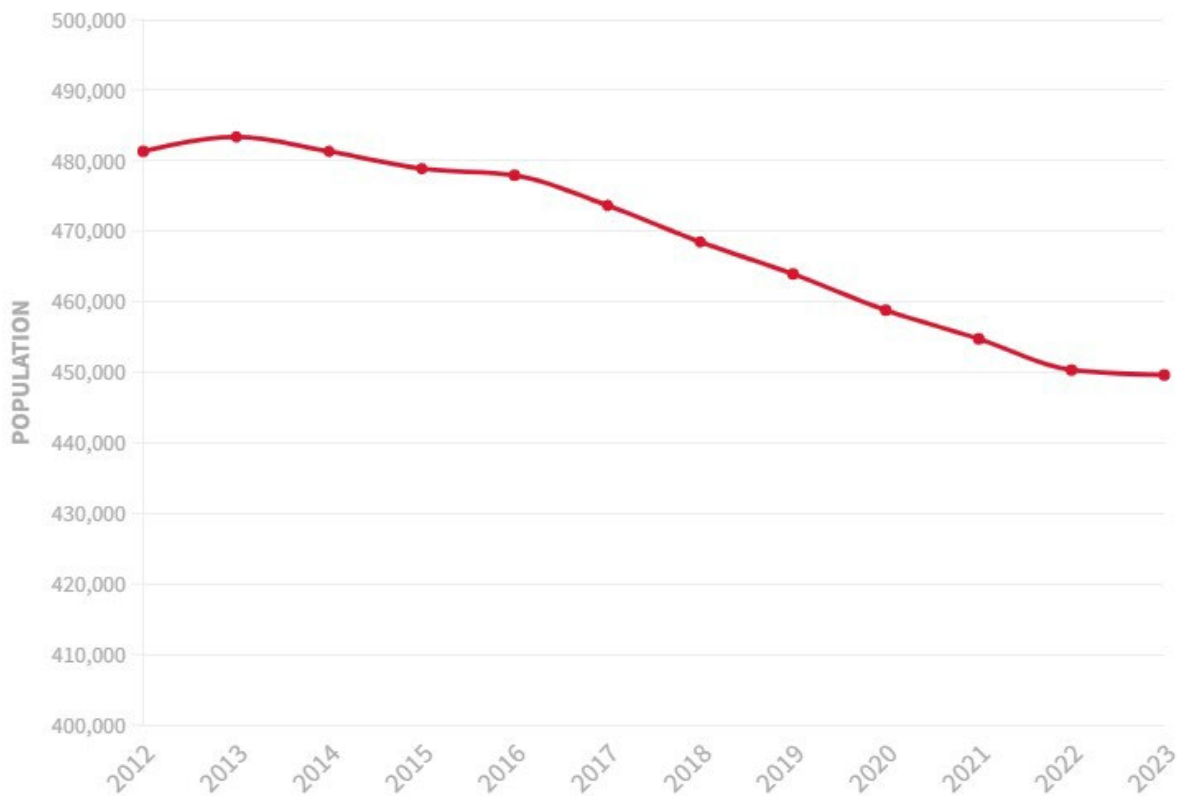
Source: Data provided by Alaska Department of Labor and Workforce Development

The shrinking working-age cohort

The number of working-age Alaskans fell by .2% last year, to about 450,000, the agency said.

The number peaked at around 480,000 in 2013.

Alaska working-age population



Source: Data provided by Alaska Department of Labor and Workforce Development

Meanwhile, the number of Alaskans 65 and older grew 3%. They number 110,000, representing close to one in seven Alaskans.

The growing shortage of working-age residents means there are two job openings for every unemployed person looking for work in the state, the state's Labor department [said](#) in its Alaska Economic Trends report this month.

That creates challenges for businesses as they look for employees, Howell said. Employers are needing to pay more to retain and attract workers, including from outside the state, he said.

About 20% of jobs in Alaska are filled by nonresidents historically, often working in seafood processing, tourism, or mining and oil, the Trends report says. A small number typically stay, but these days, fewer are moving here and they're not staying as long as they used to.

One factor are the declining wages paid in Alaska, the report says.

"With high job openings across the nation, Alaska has less draw for workers, temporary or permanent," the Trends report said. "Alaska's high wages have given us an edge in the past,

but our wage advantage over the rest of the country has narrowed over the last few decades.”

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But the number of jobs will still increase, by 5,400, or 1.7%, thanks in part to major infrastructure and oil field projects and booming tourism. That will bring Alaska’s total job count above pre-pandemic levels for the first time, the report says.

[*\[Amid a statewide labor shortage, Alaska builders are delaying projects and relying on Outside workers\]*](#)

Neal Fried, a retired economist with Labor and Workforce Development, said the labor shortage has some upside, such as higher wages for employees. It also creates an array of job opportunities for people looking for work.

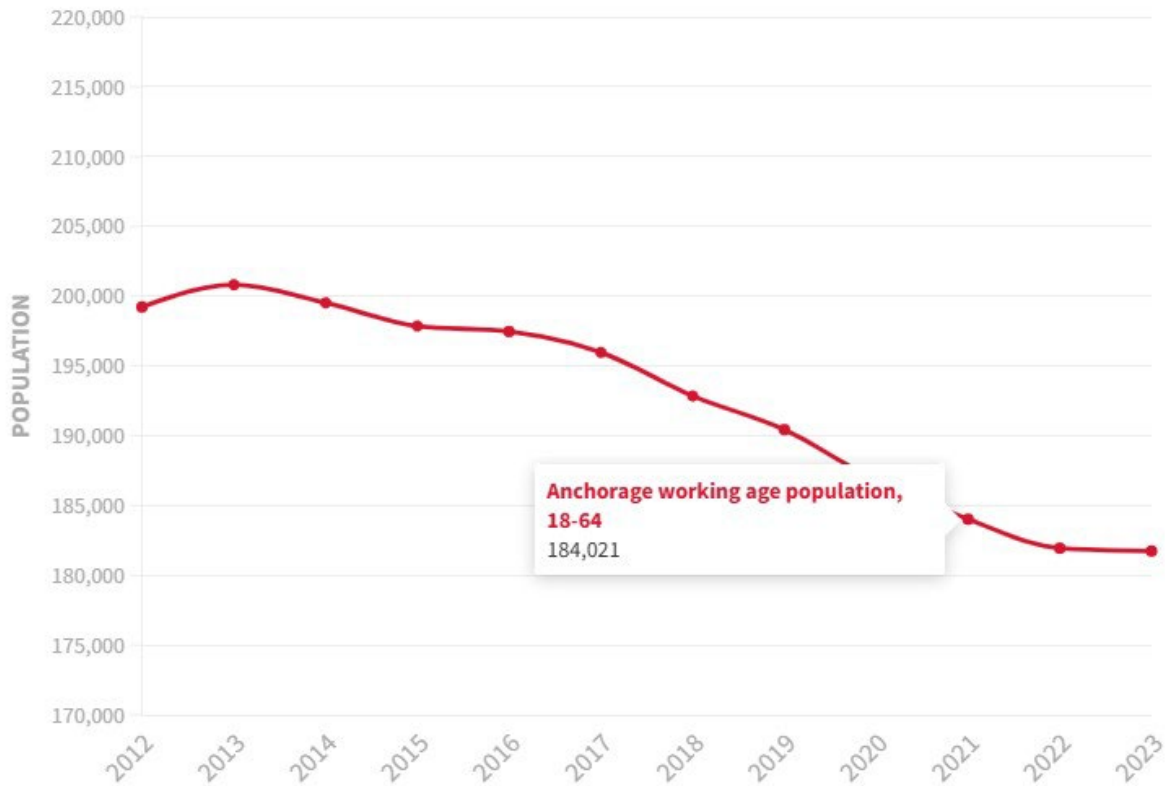
“We always forget the other side is providing all kinds of avenues for people to enter the workforce, for people to change your jobs, for people to find new opportunities,” Fried said.

A quality of life question for Anchorage

As for Anchorage, the city's working-age population is about 19,000 short of its numbers a decade ago.

That has helped contribute to the city's low unemployment rate and opportunities for workers, the state reported in Trends this month.

Anchorage working-age population



Source: Data provided by Alaska Department of Labor and Workforce Development

Anchorage can expect to see about 2,300 jobs added this year, thanks to the same forces that will benefit the state, such as major infrastructure and oil field projects, the report says.

But employment likely won't get the city back to pre-COVID levels.

Like the state, the city's worker shortage will constrain growth, it says.

The dwindling working-age population is a chief economic concern for Anchorage, especially with the state looking to fully take advantage of infrastructure projects worth billions of dollars, said Jenna Wright, president of the Anchorage Economic Development Corp.

“It’s really creating a stifling effect on the Anchorage economy when we don’t have the workforce to support the jobs we have today, let alone the growth we want to see,” Wright said.

Anchorage is competing for jobs nationally, she said. But average wages in the city don’t have the premium they once did, relative to jobs nationally, she said.

The lack of big investments in public amenities that attract job-seekers is another factor, she said.

She said with the exception of the Denaina Civic and Convention Center 15 years ago, Anchorage hasn’t seen investment of that sort since the “[Project ‘80s](#)” program that in the 1980s built facilities such as the Sullivan Arena, the Alaska Center for the Performing Arts, the Egan Center and an expanded trail system.

Those things are important for cities “to compete on a national level for workforce from a quality-of-place perspective,” she said.

The Trends report says Anchorage has [seen declines](#) in other important areas as its population has aged along with the rest of the state. That includes shrinking public school enrollment and housing construction.

“While 2024 will bring growth, the city’s long-term trajectory is unclear,” the report says. “One of the key questions is quality of life: Do people want to live there, raise families, invest in housing and the community, and make it their home?”