

# Alaska's Economic Climate and Outlook

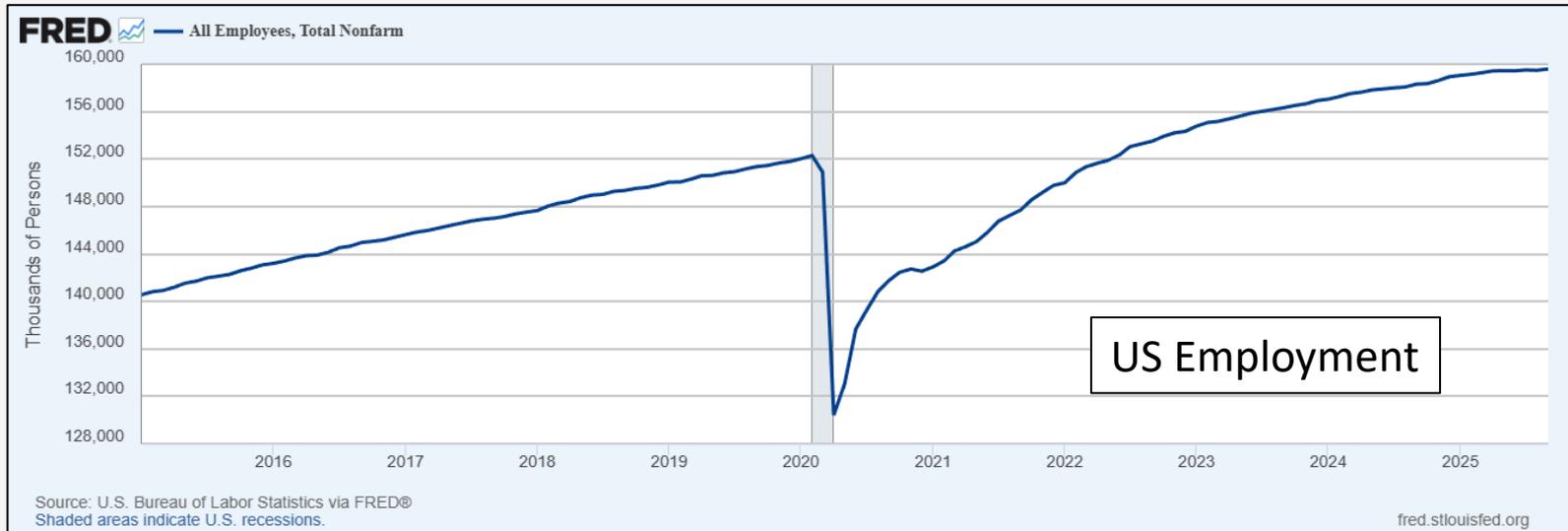
Kenai Peninsula Borough  
Finance Committee  
January 20, 2026



# Outline

- Recovery from recession
- 2026 employment forecast
- Current trends in Alaska & Kenai economies
- Questions

# Alaska's Covid recovery looked different



# We were weak going into Covid

2014-2019 job growth compared to other states

**Total: -2.6 percent, 48<sup>th</sup> among states**

Utah 17.6 percent; North Dakota -4.9 percent

**Private Sector: -2.5 percent, 48<sup>th</sup> among states**

Utah 19.2 percent; North Dakota -6.8 percent

**State Government: -12.1 percent, last among states**

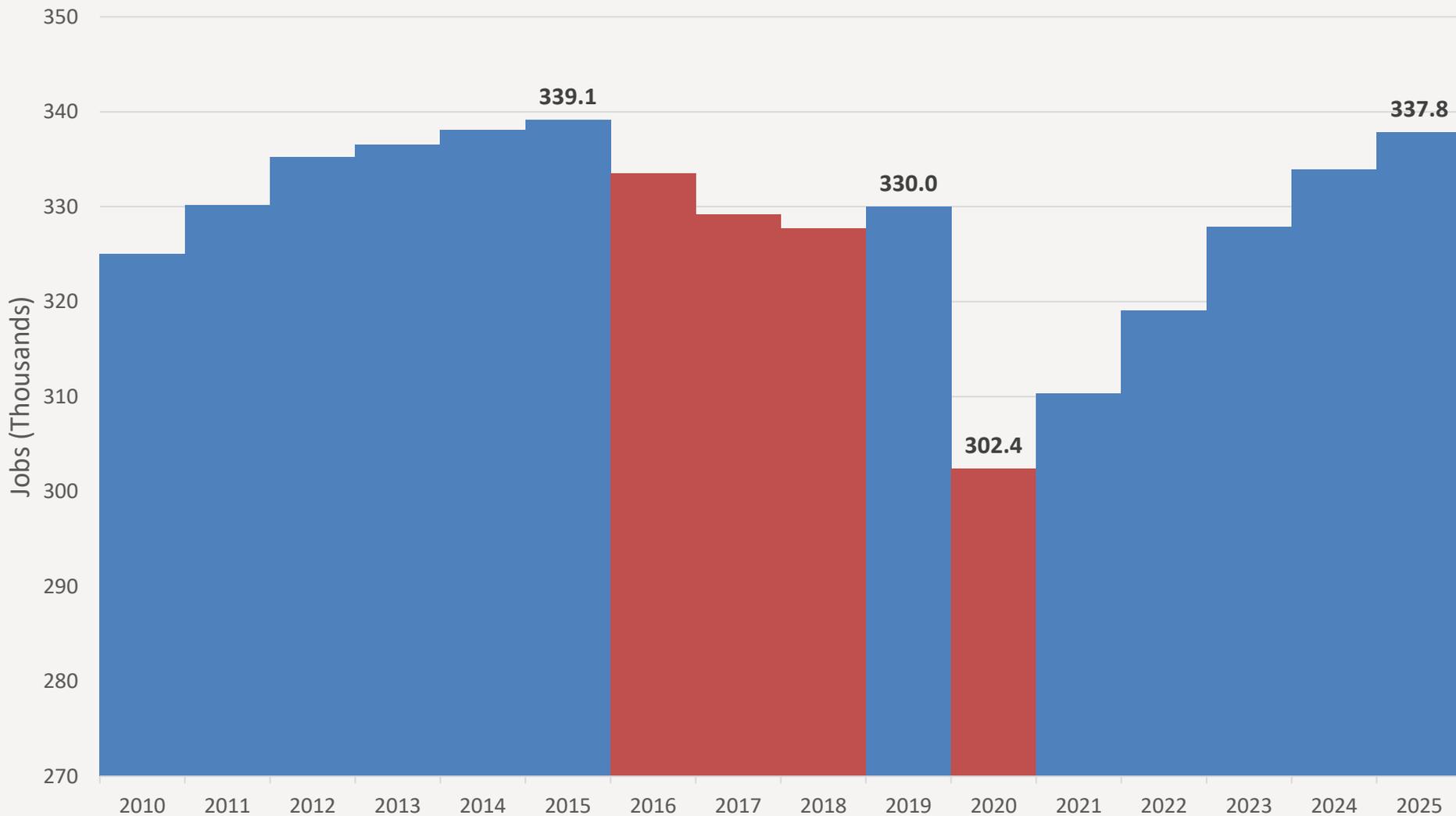
Colorado 19.2 percent; second-to-last, Kentucky -8.7 percent

**State University: -18.8 percent, last among states**

Colorado 19.9 percent; second-to-last, Kentucky -16.0 percent

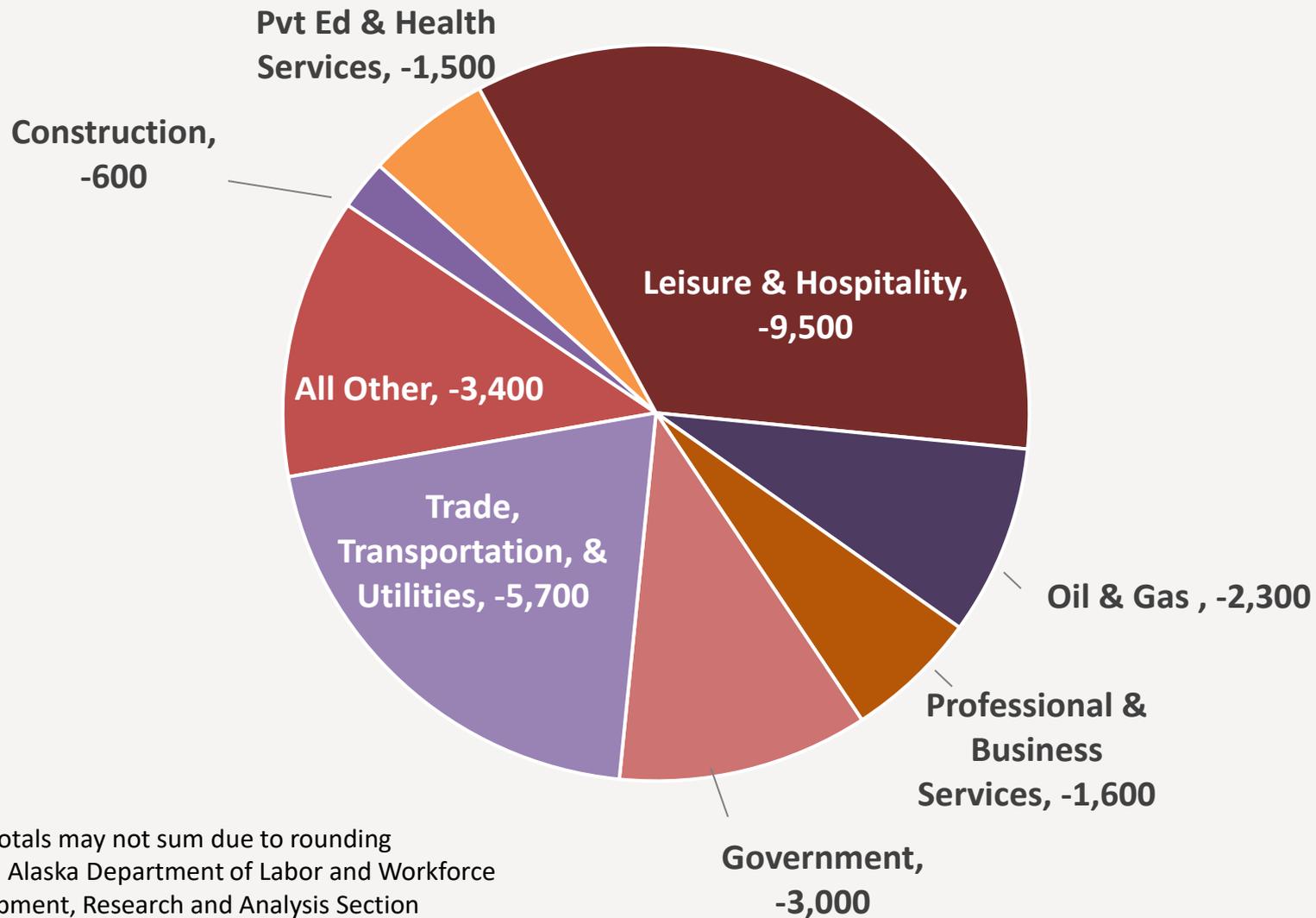
# Long road to recovery

## Alaska Statewide Employment



Source: US Bureau of Labor Statistics

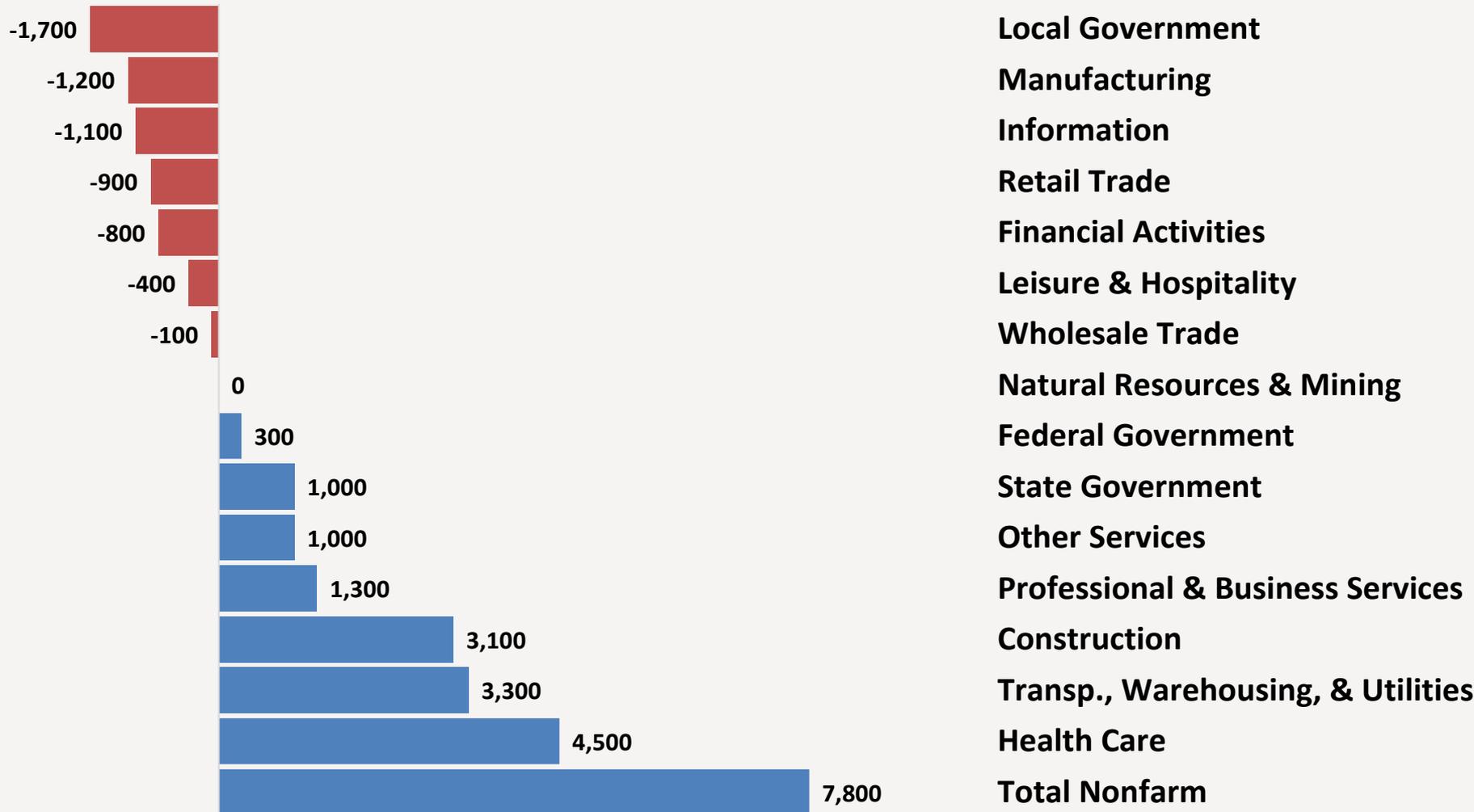
# Alaska lost 27,600 jobs in 2020



Note: Totals may not sum due to rounding  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# Statewide, most industries are recovered

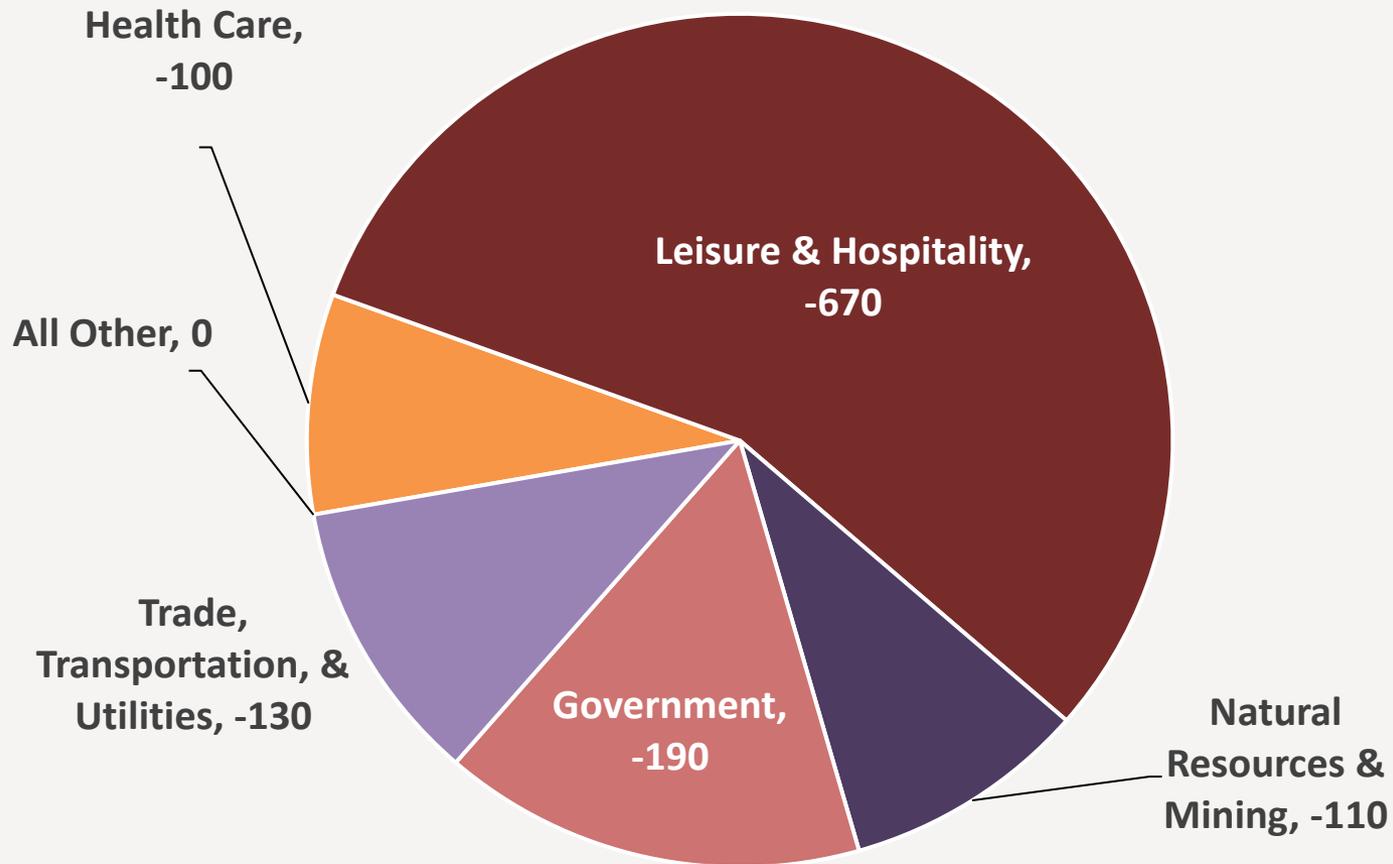
## Alaska Employment, 2019 to 2025\*



Note: Totals may not sum due to rounding \*Preliminary

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

# KPB lost 1,190 jobs in 2020



Note: Totals may not sum due to rounding  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# In Kenai, all major industries have recovered

## KPB Employment, 2019 to 2024

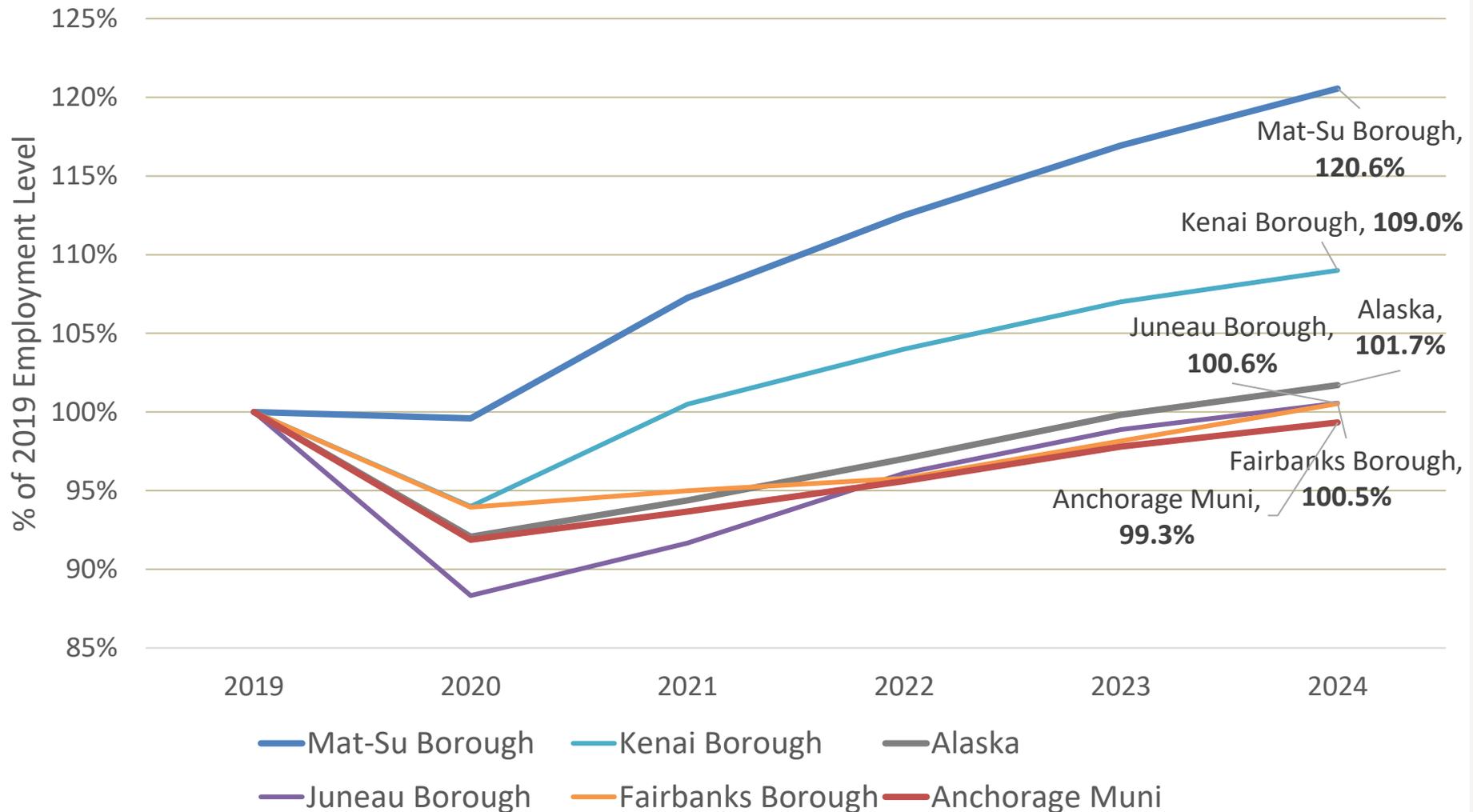


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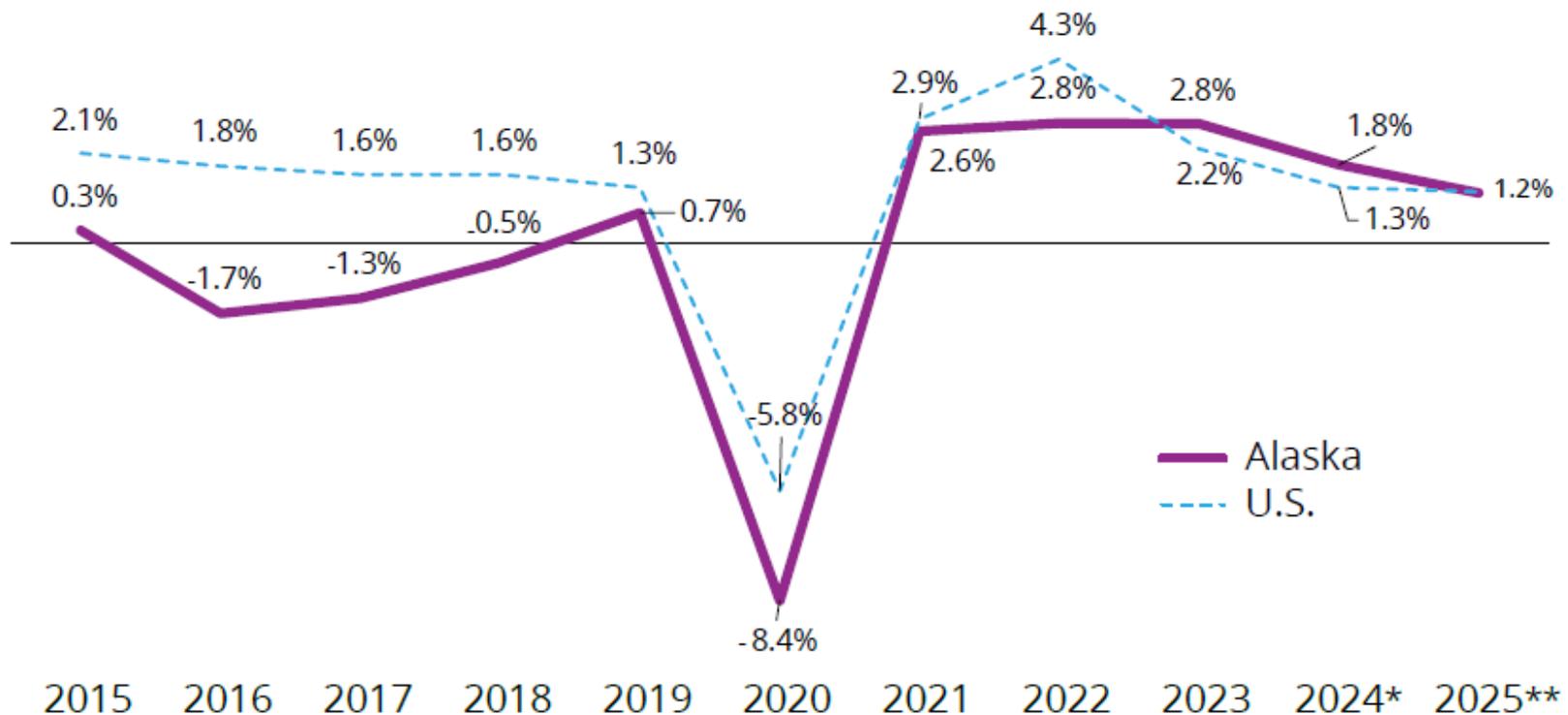
# Mat-Su and Kenai recovered much faster

## Pandemic Recoveries by Municipality



# Alaska economy following US slowdown

## Alaska job growth rate tops, then matches U.S.



\*Preliminary \*\*U.S. first half of 2025 compared to first half of 2024

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

# Statewide 2026 growth forecasted at 0.9% (+3k)

## Modest growth forecasted for Alaska this year



\*Preliminary \*\*Forecasted

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

# Growth or stability forecasted for most industries

## The statewide outlook for jobs in 2026, by industry

|   | Monthly avg, 2024 <sup>1</sup> | Monthly avg, 2025 <sup>1</sup> | Change, 2024-25 | Percent change | JOBS FORECAST     |                 |                |
|---|--------------------------------|--------------------------------|-----------------|----------------|-------------------|-----------------|----------------|
|   |                                |                                |                 |                | Monthly avg, 2026 | Change, 2025-26 | Percent change |
| <b>Total Nonfarm Employment<sup>2</sup></b> | 333,900                        | 337,800                        | 3,900           | 1.2%           | 340,800           | 3,000           | 0.9%           |
| Total Private                               | 254,300                        | 258,300                        | 4,000           | 1.6%           | 261,700           | 3,400           | 1.3%           |
| Mining and Logging                          | 12,500                         | 13,400                         | 900             | 7.2%           | 14,400            | 1,000           | 7.5%           |
| Oil and Gas                                 | 8,300                          | 9,000                          | 700             | 8.4%           | 10,000            | 1,000           | 11.1%          |
| Construction                                | 18,500                         | 19,500                         | 1,000           | 5.4%           | 20,200            | 700             | 3.6%           |
| Manufacturing                               | 11,900                         | 11,900                         | 0               | 0%             | 11,800            | -100            | -0.8%          |
| Trade, Transportation, and Utilities        | 66,400                         | 67,000                         | 600             | 0.9%           | 67,500            | 500             | 0.7%           |
| Wholesale Trade                             | 6,500                          | 6,500                          | 0               | 0%             | 6,500             | 0               | 0%             |
| Retail Trade                                | 34,900                         | 34,700                         | -200            | -0.6%          | 34,600            | -100            | -0.3%          |
| Transportation, Warehousing, and Utilities  | 25,000                         | 25,800                         | 800             | 3.2%           | 26,400            | 600             | 2.3%           |
| Information                                 | 4,400                          | 4,300                          | -100            | -2.3%          | 4,300             | 0               | 0%             |
| Financial Activities                        | 10,800                         | 10,800                         | 0               | 0%             | 10,800            | 0               | 0%             |
| Professional and Business Services          | 28,800                         | 29,000                         | 200             | 0.7%           | 29,200            | 200             | 0.7%           |
| Educational (private) and Health Services   | 53,000                         | 54,600                         | 1,600           | 3.0%           | 55,700            | 1,100           | 2.0%           |
| Health Care                                 | 41,700                         | 43,200                         | 1,500           | 3.6%           | 44,300            | 1,100           | 2.5%           |
| Leisure and Hospitality                     | 35,900                         | 35,800                         | -100            | -0.3%          | 35,700            | -100            | -0.3%          |
| Other Services                              | 12,100                         | 12,000                         | -100            | -0.8%          | 12,100            | 100             | 0.8%           |
| Total Government                            | 79,700                         | 79,500                         | -200            | -0.3%          | 79,100            | -400            | -0.5%          |
| Federal, except military                    | 15,500                         | 15,200                         | -300            | -1.9%          | 14,800            | -400            | -2.6%          |
| State, incl. University of Alaska           | 23,900                         | 24,200                         | 300             | 1.3%           | 24,300            | 100             | 0.4%           |
| Local and tribal, incl. public schools      | 40,300                         | 40,100                         | -200            | -0.5%          | 40,000            | -100            | -0.2%          |

<sup>1</sup>Preliminary and adjusted estimates. <sup>2</sup>Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

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

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

# Alaska state GDP exceeded pre-pandemic before plateauing

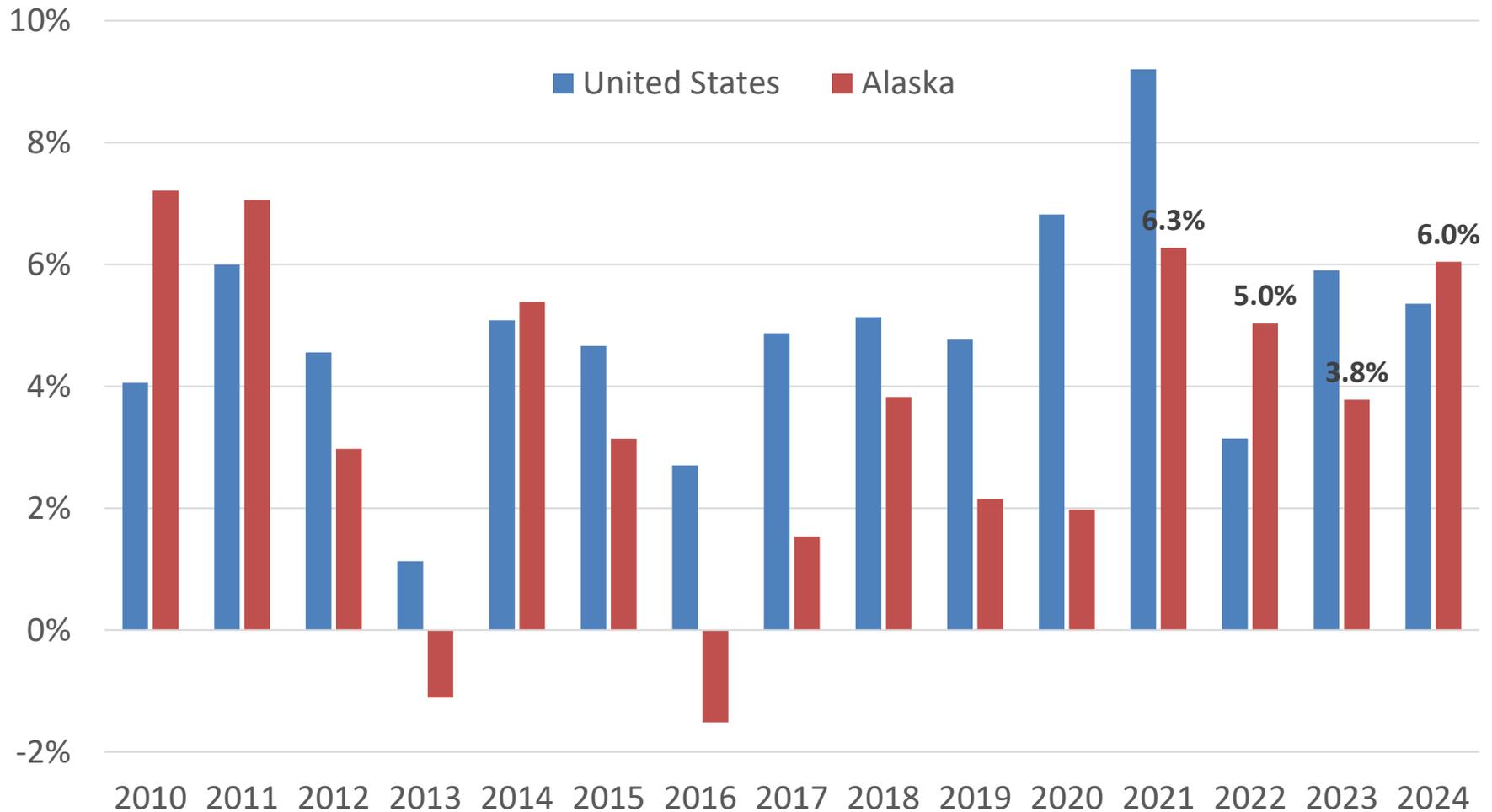
## Alaska Quarterly Gross Domestic Product



Note: GDP in inflation-adjusted dollars  
Source: U.S. Bureau of Economic Analysis

# Alaska personal income continues to grow

## Annual Change in Personal Income

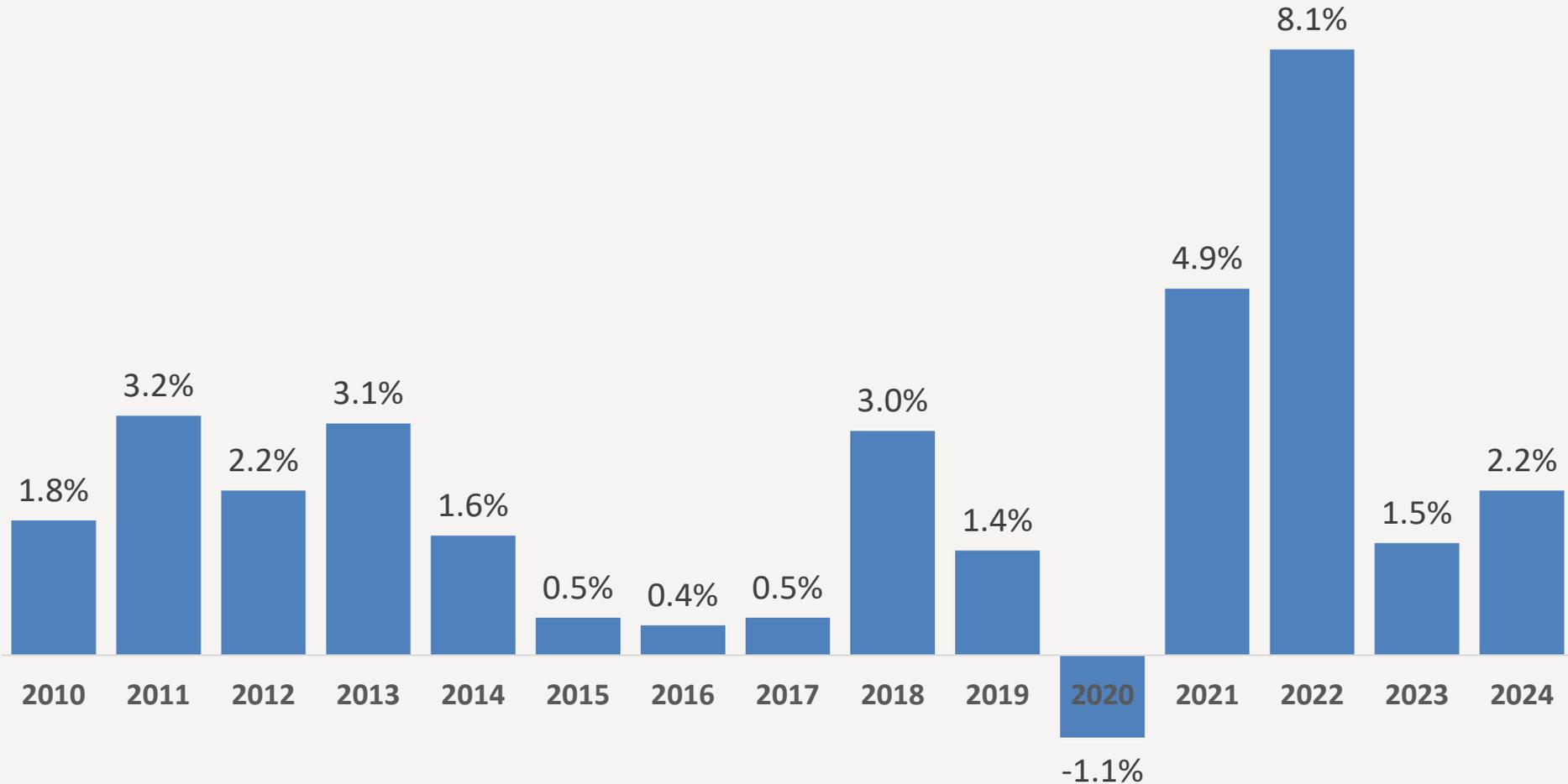


Source: U.S. Bureau of Economic Analysis



# Inflation is back to low rates

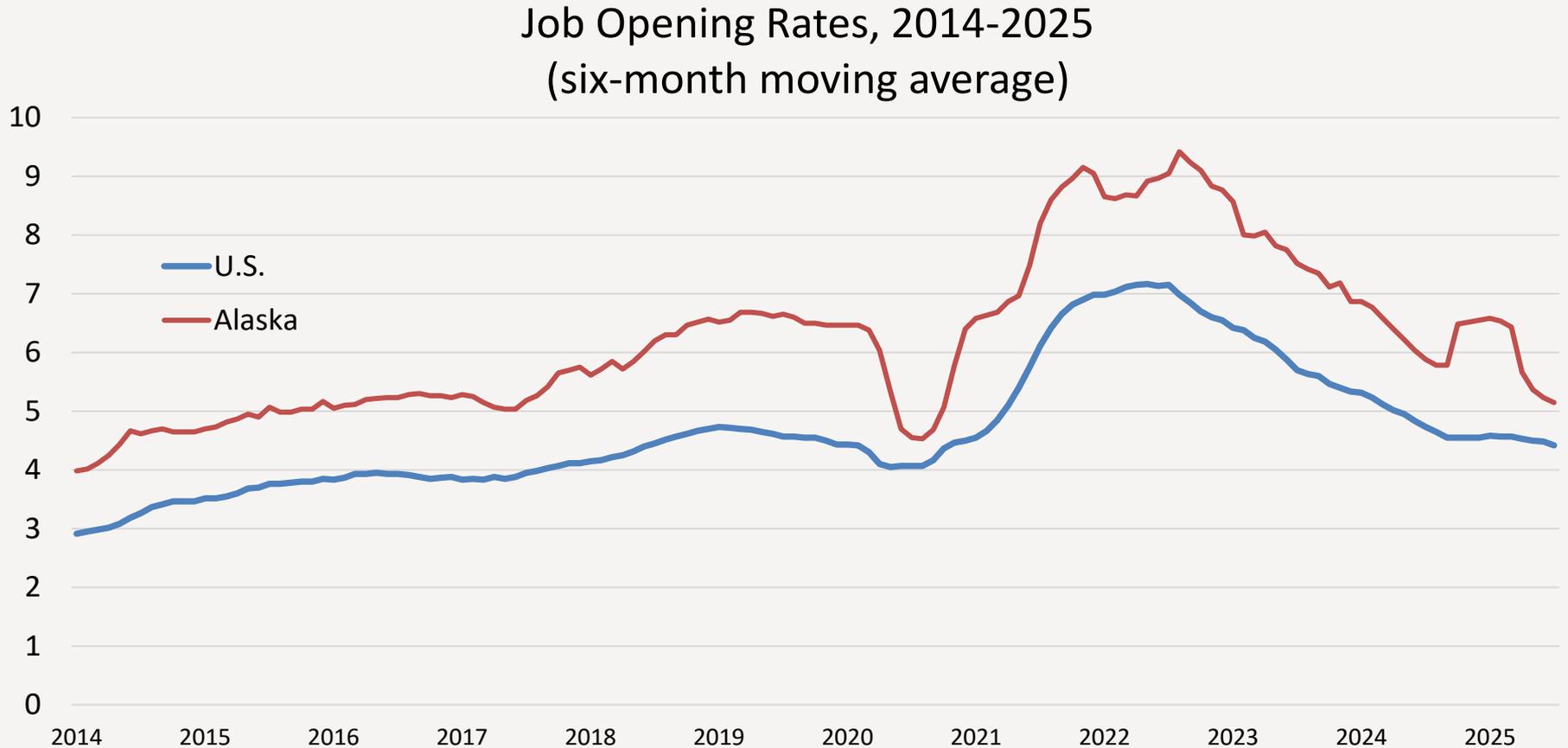
Urban Alaska CPI-U



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

# Significant opportunity for workers

Job openings coming down to pre-Covid levels

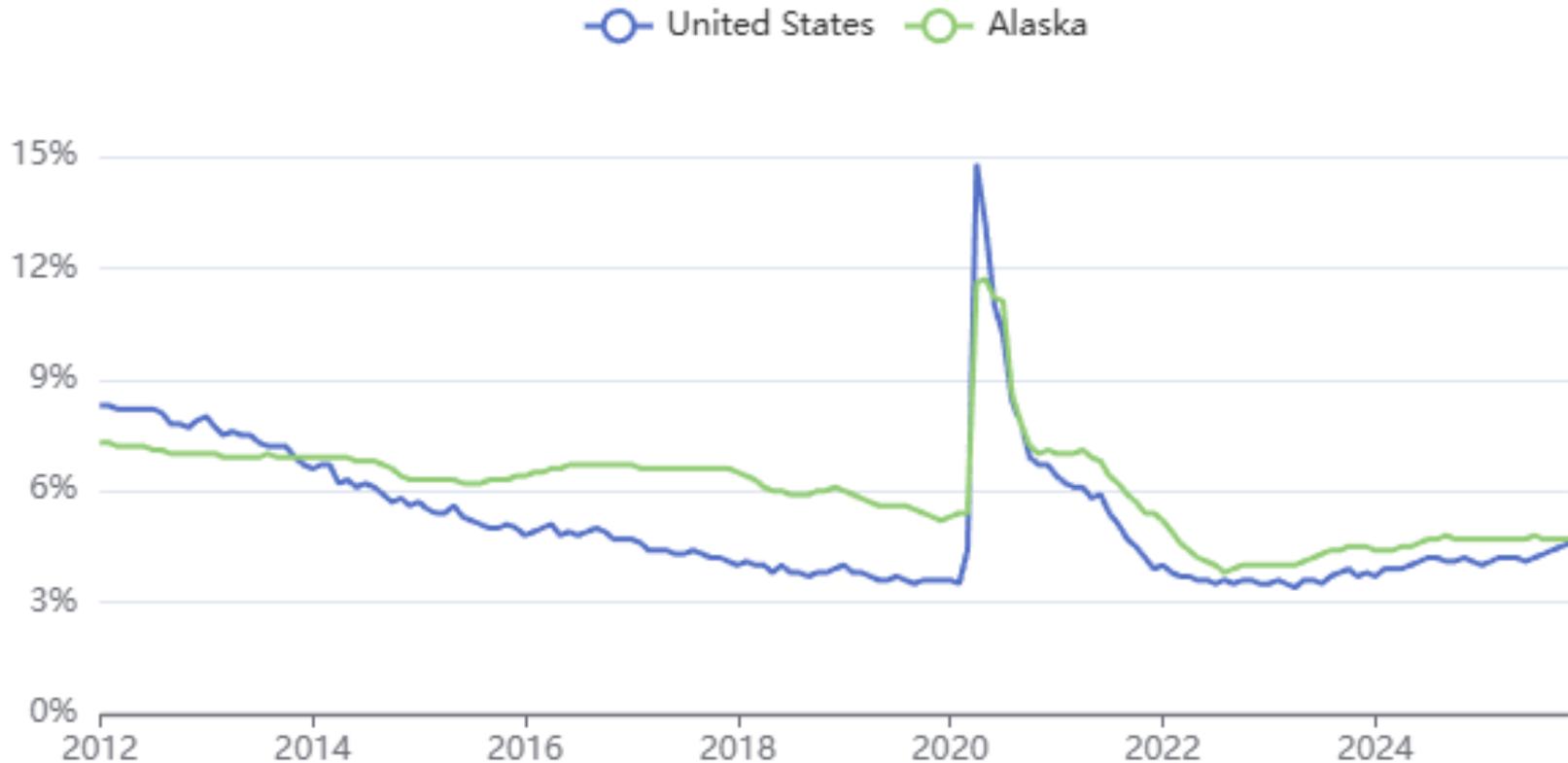


Source: Bureau of Labor Statistics

# Low unemployment rates

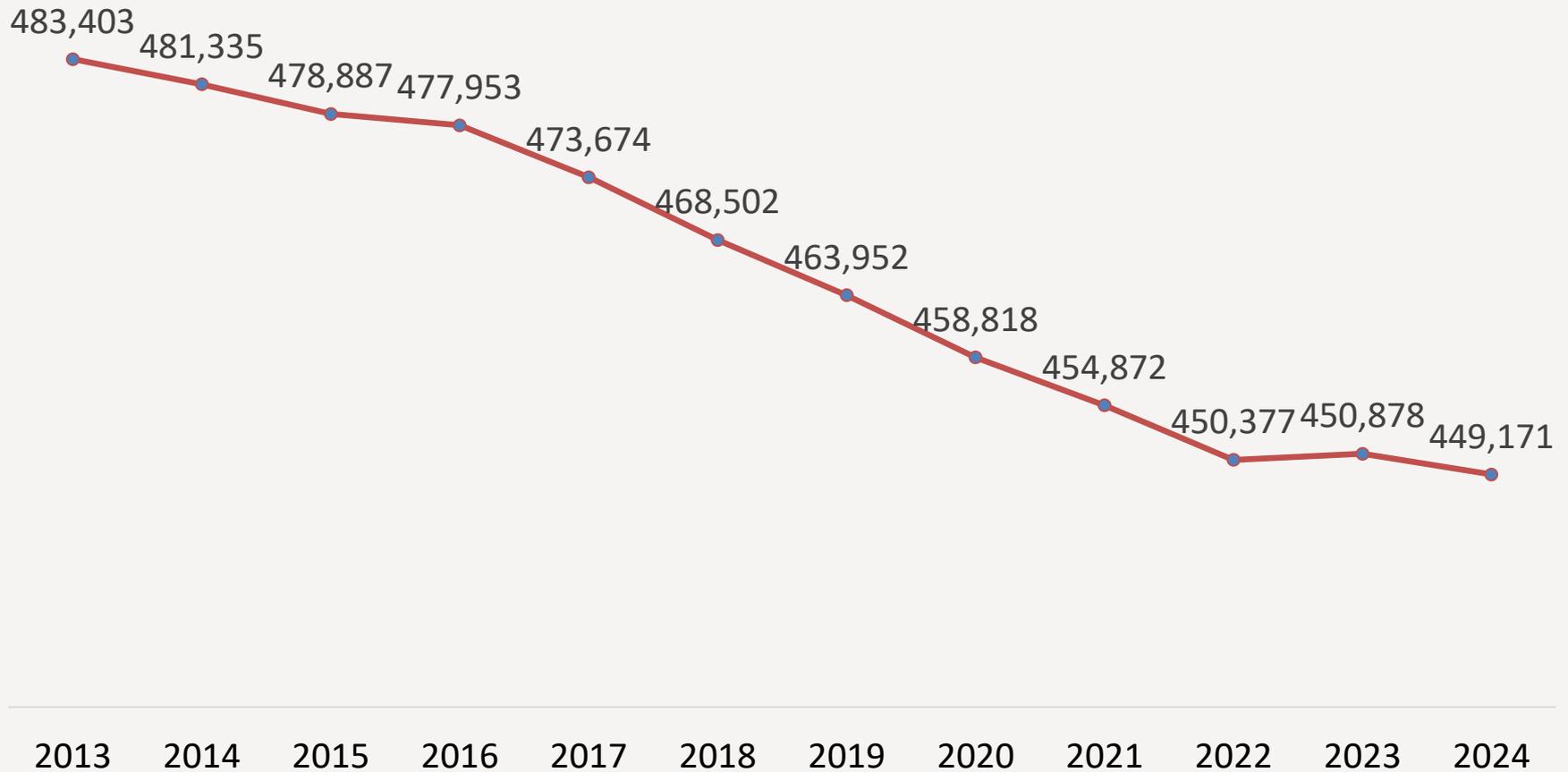
Shrinking workforce may be masking effect of slowdown

Seasonally Adjusted Unemployment Rates for Alaska and United States 2012 - 2025



# 34,000 fewer working-age adults in Alaska

Alaska Working-Age Population

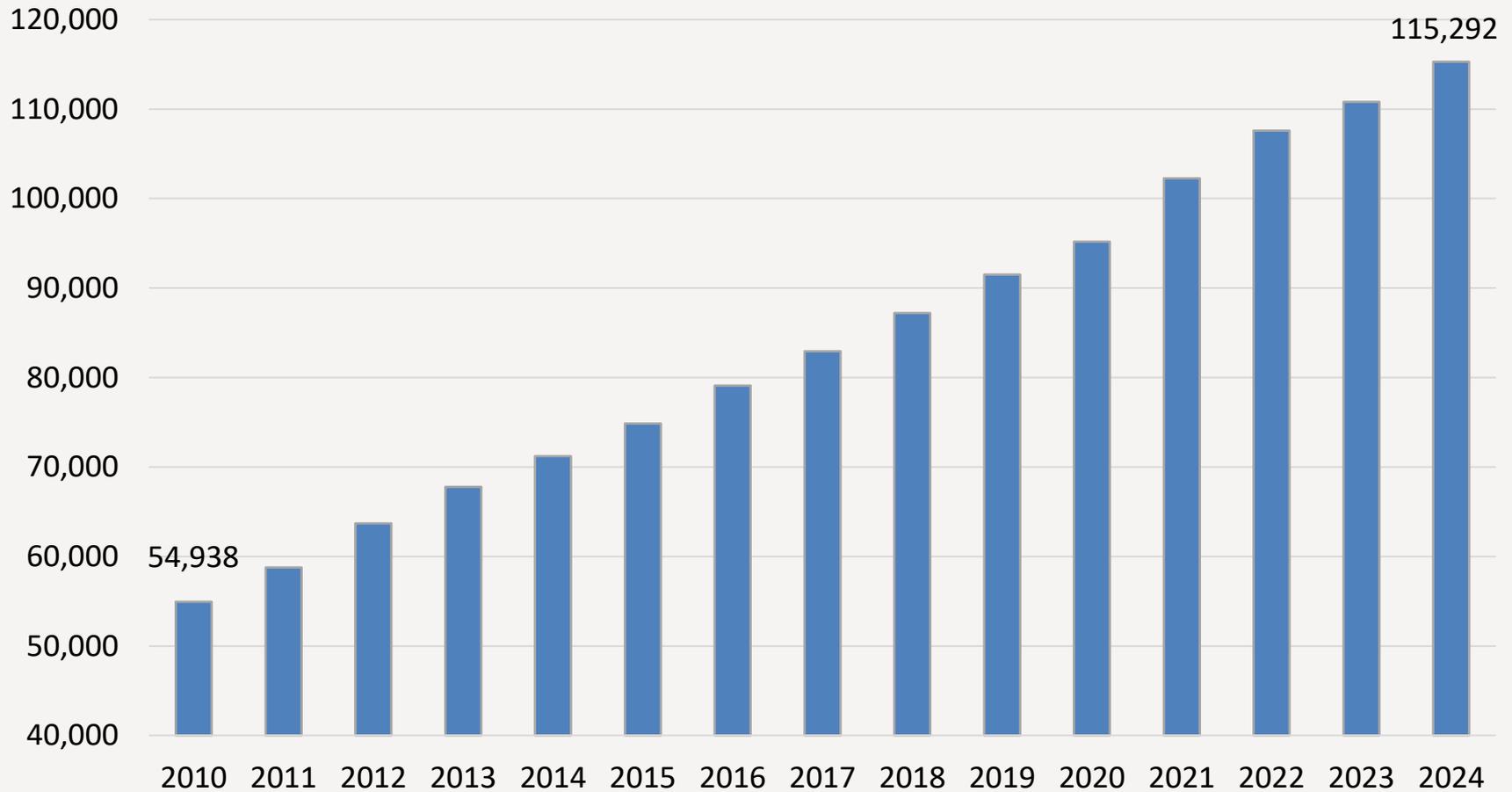


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

\* 18-64 year olds

# Baby boomer generation is aging out

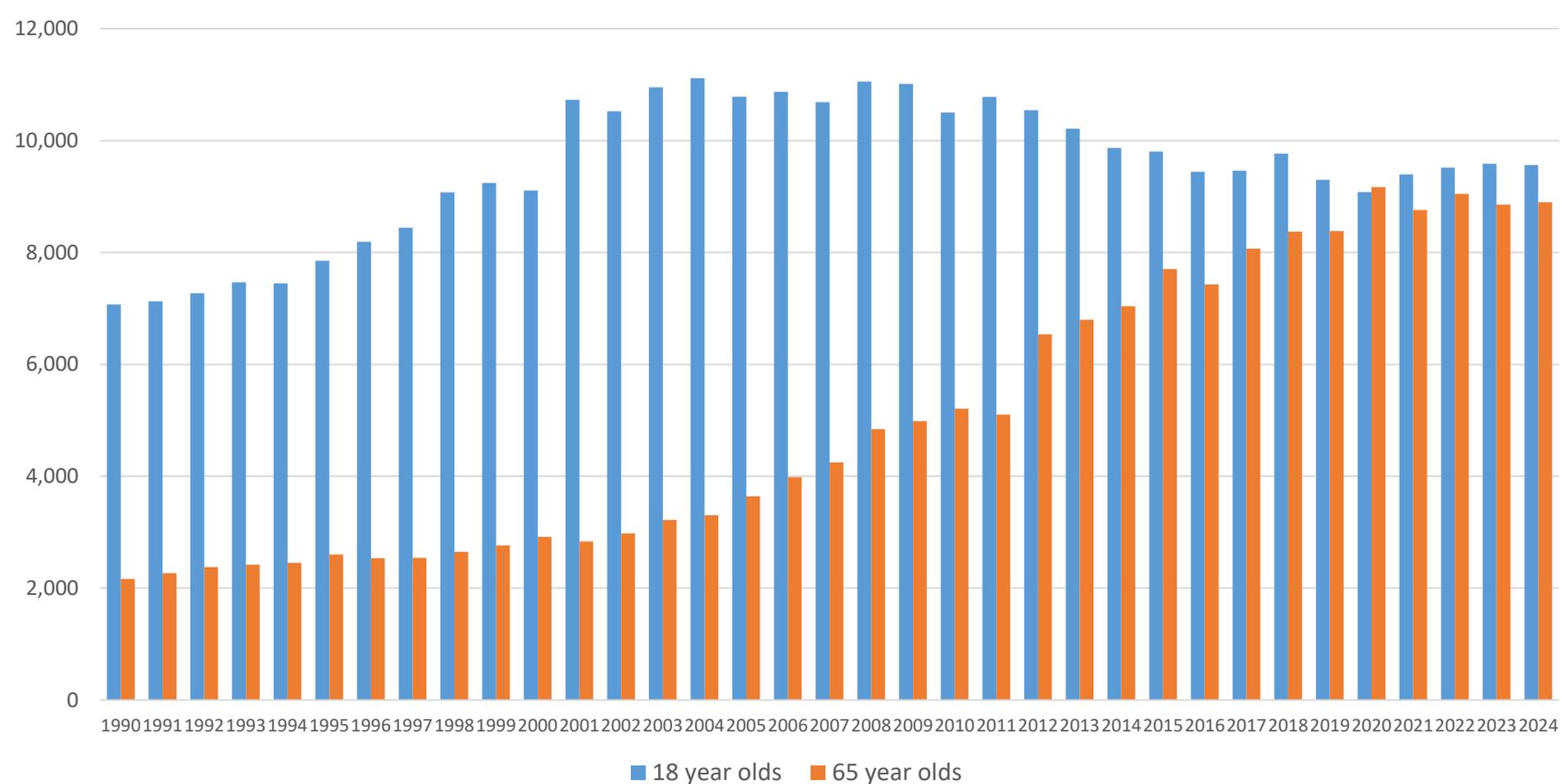
Alaskans 65+



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

# Younger generations are relatively smaller share

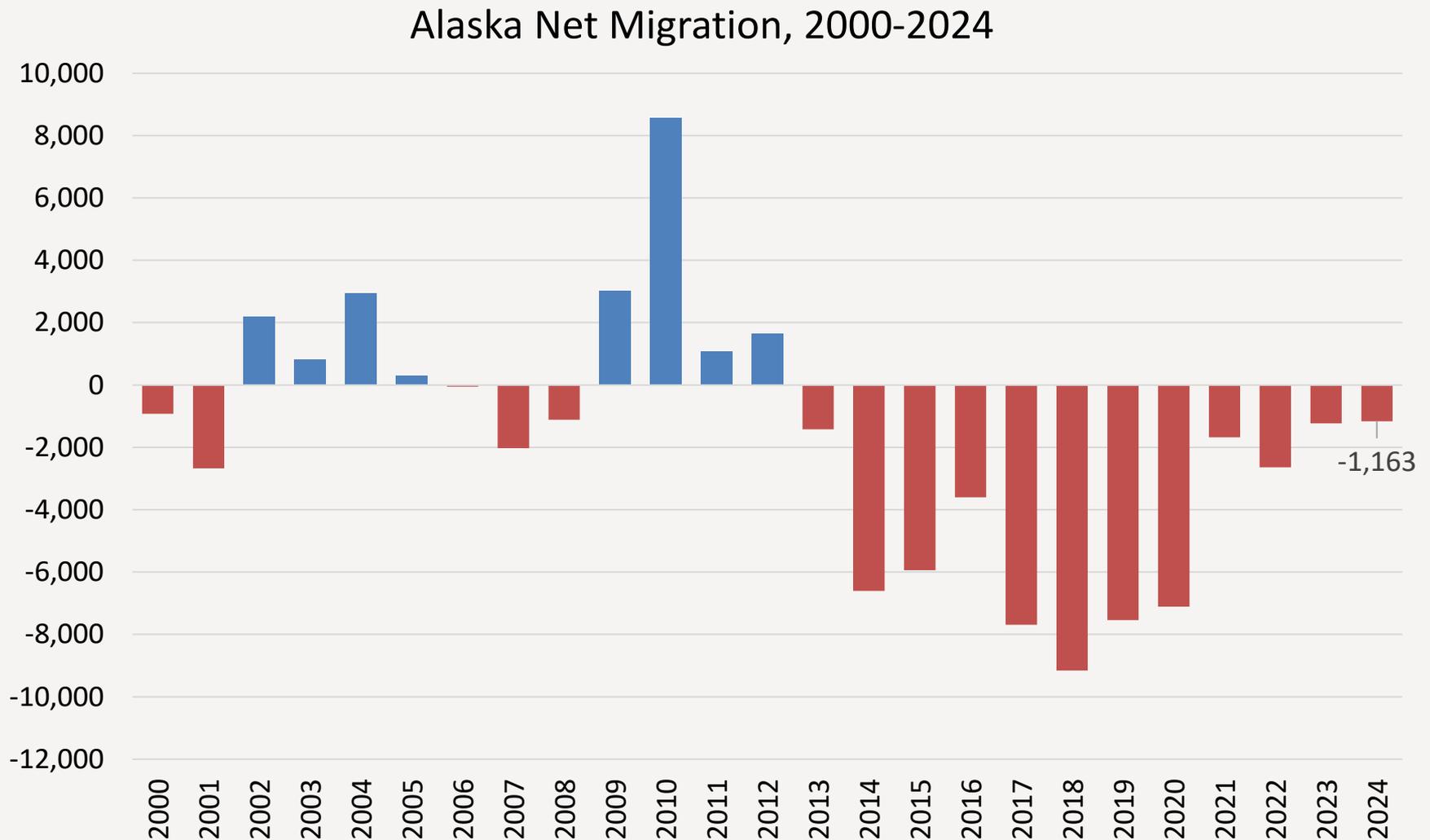
## Population of Alaskans Age 18 and 65



Source: AK DOLWD R&A Demography, statewide

# Negative net migration continues

More people have been leaving than coming

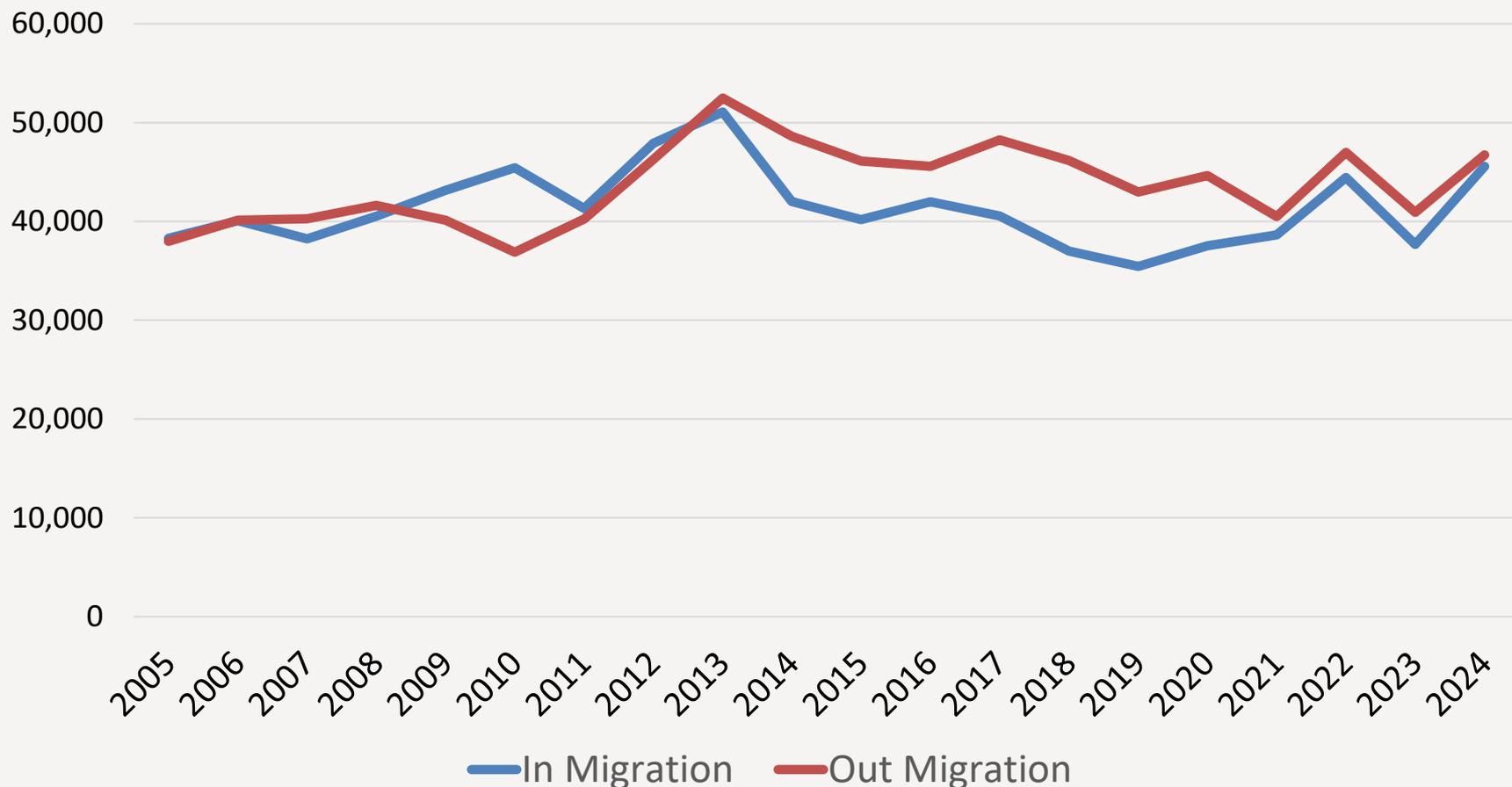


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# Why do we have negative net migration?

Migrants are coming to AK at lower rates

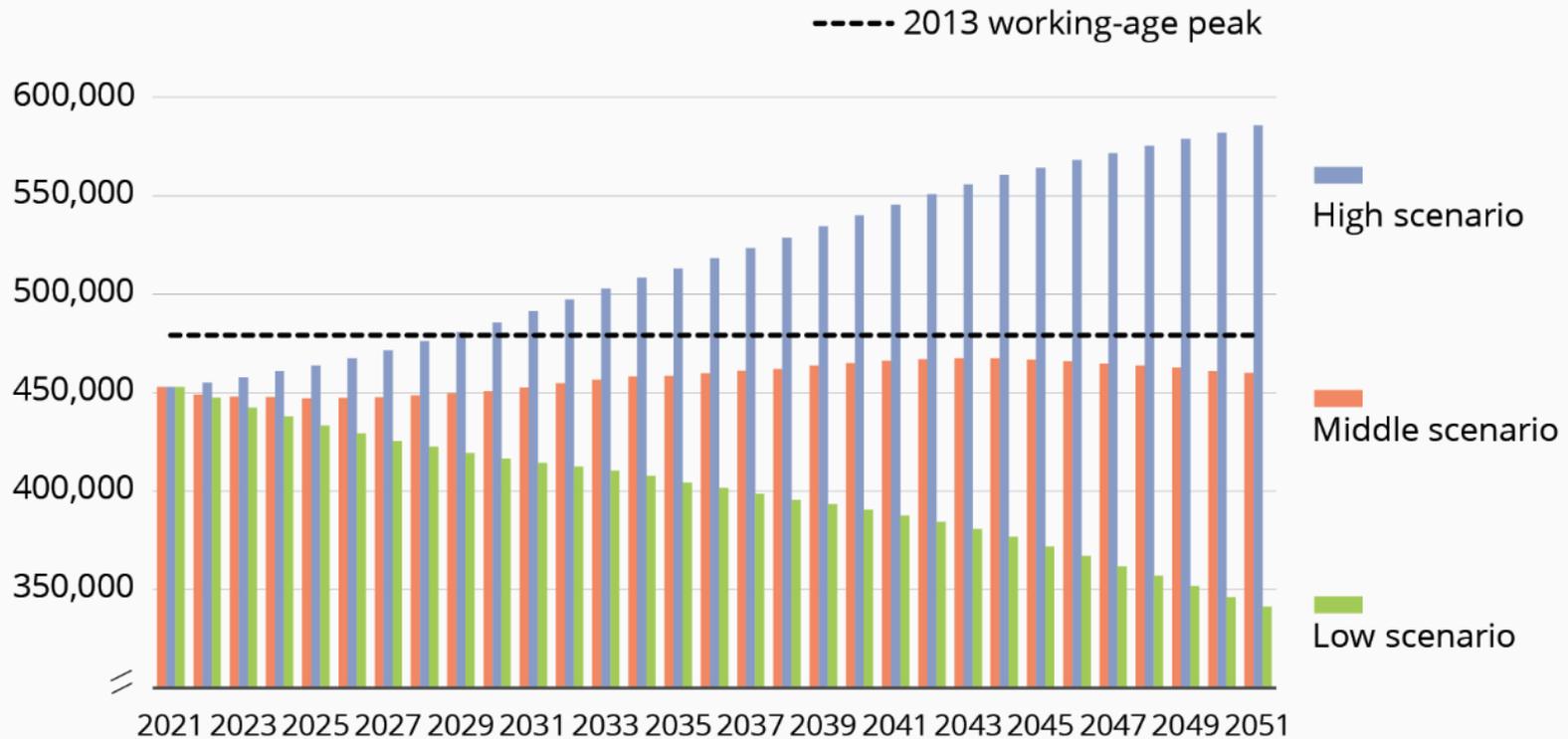
## Alaska In Migration and Out Migration, 2005-2024



# Is shrinking labor force going to change soon?

Working age population likely to stay below 2013

## 3 scenarios for the size of the future working-age population



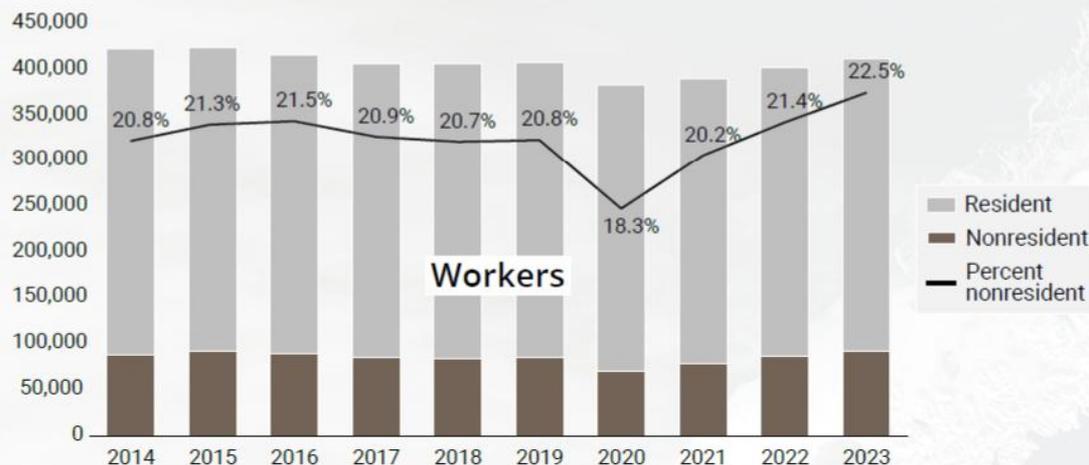
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# Nonresidents help us fill the gaps

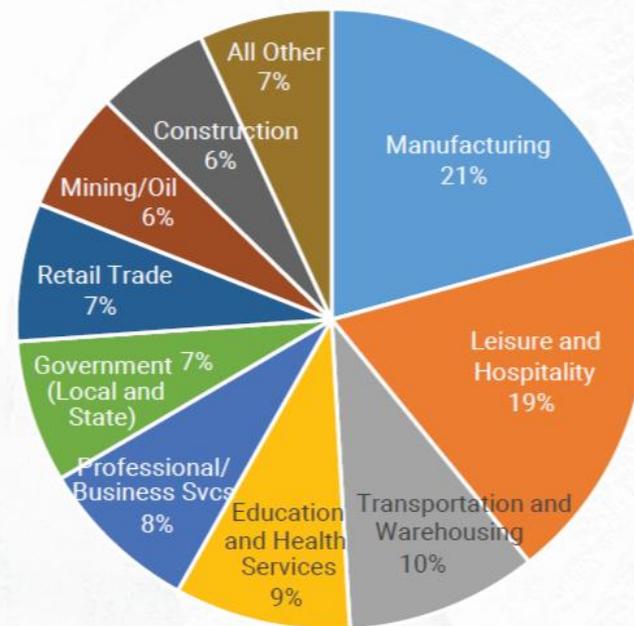
And they always have

## 2023 Nonresident Worker Rate: 22.5%

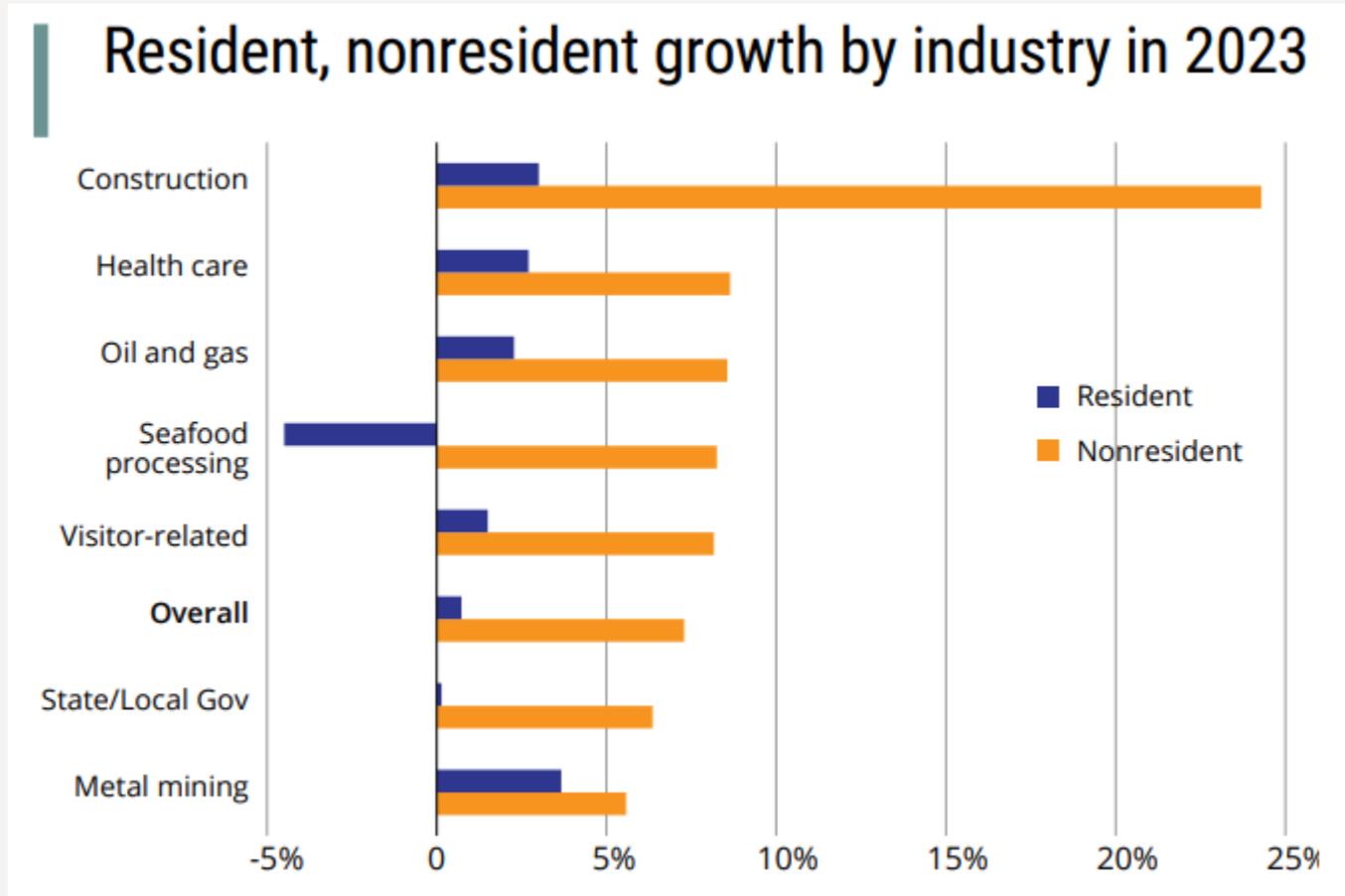
### Workers and nonresidency, overall



### Where nonresidents worked



# Alaska had its highest proportion of nonresident workers in 2023

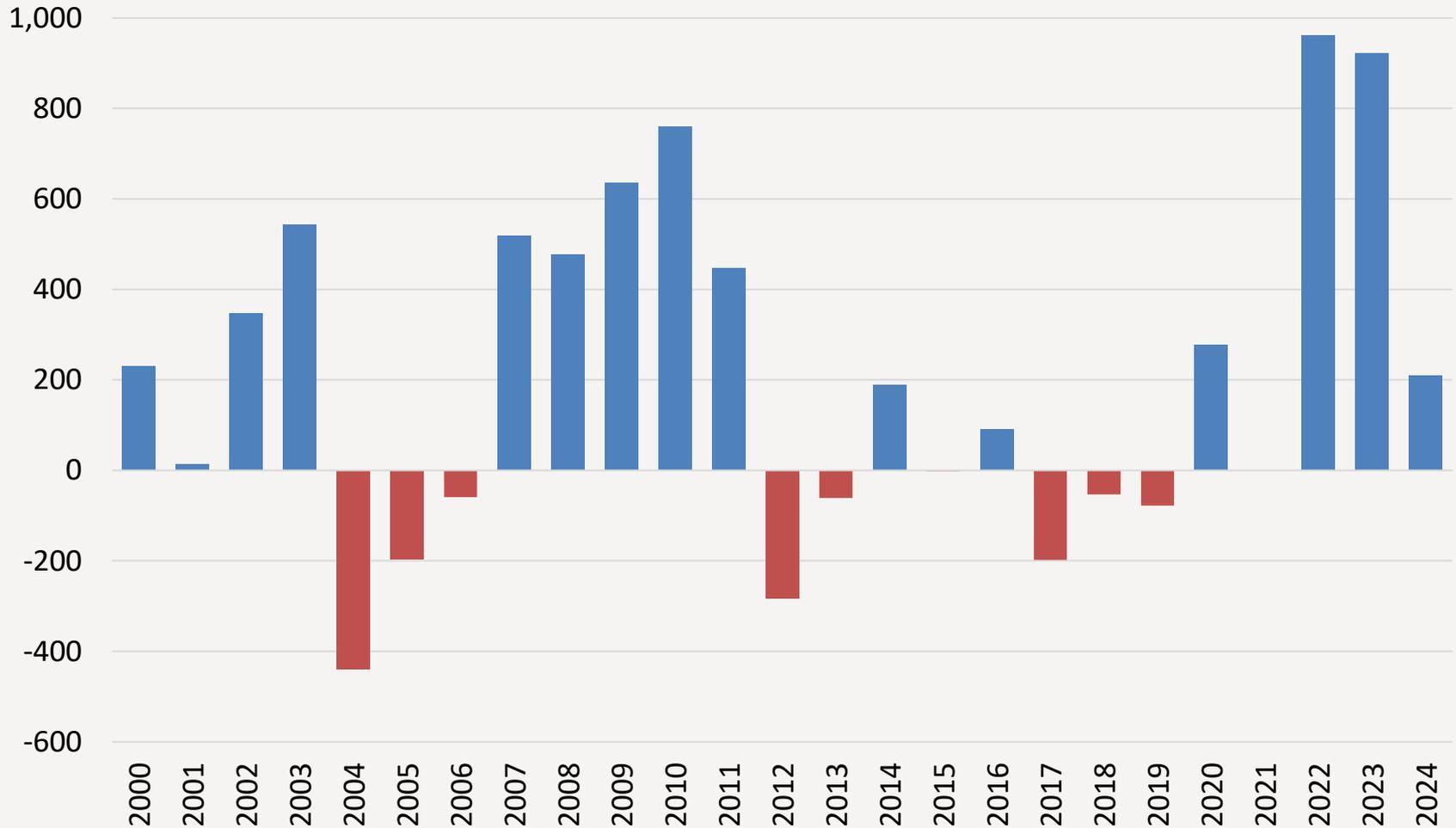


Source: Alaska Department of Labor and Workforce Development

# Negative net migration continues

More people have been leaving than coming

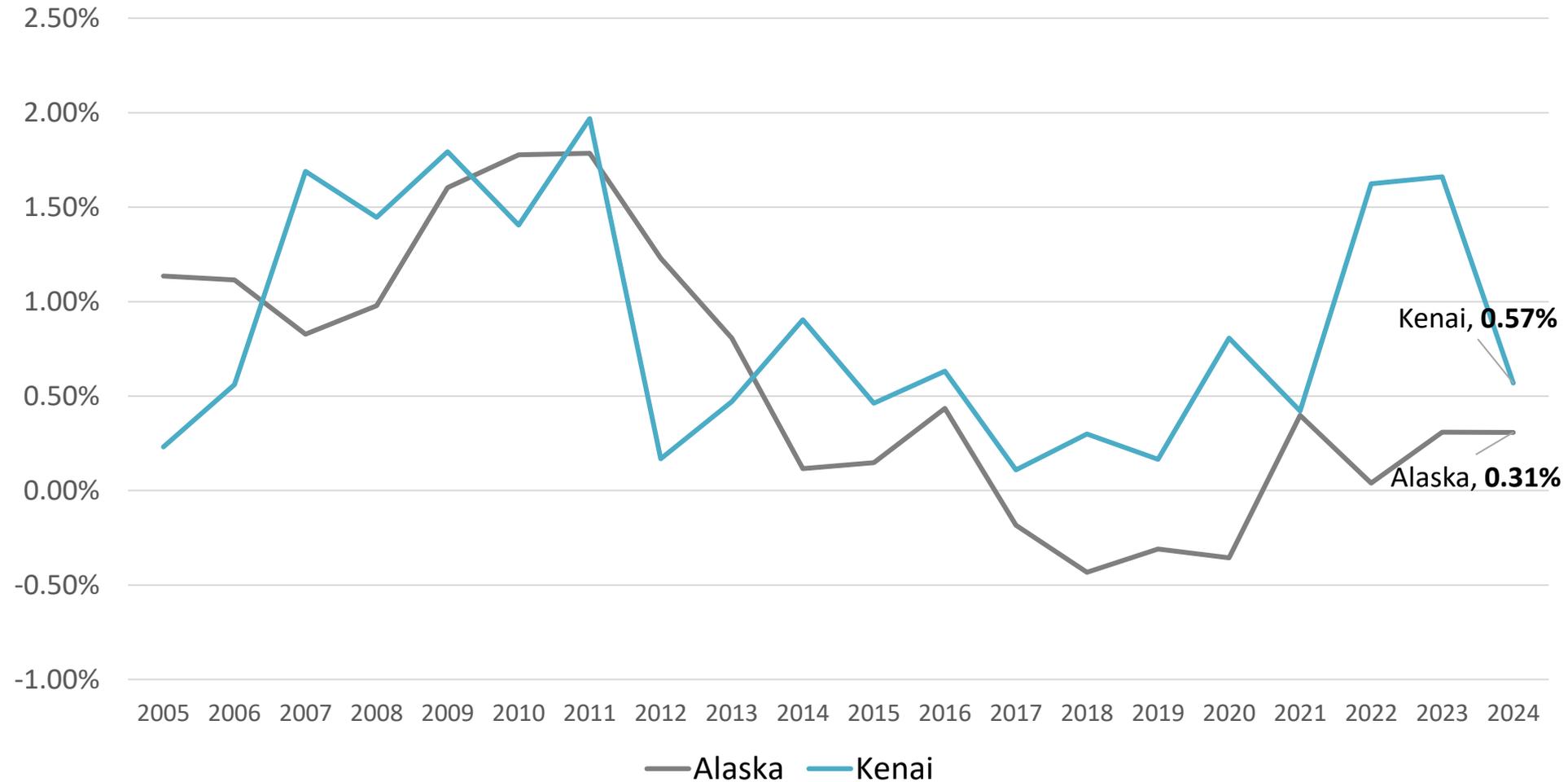
## Kenai Peninsula Borough Net Migration, 2000-2024



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

# Kenai population growth exceeds statewide

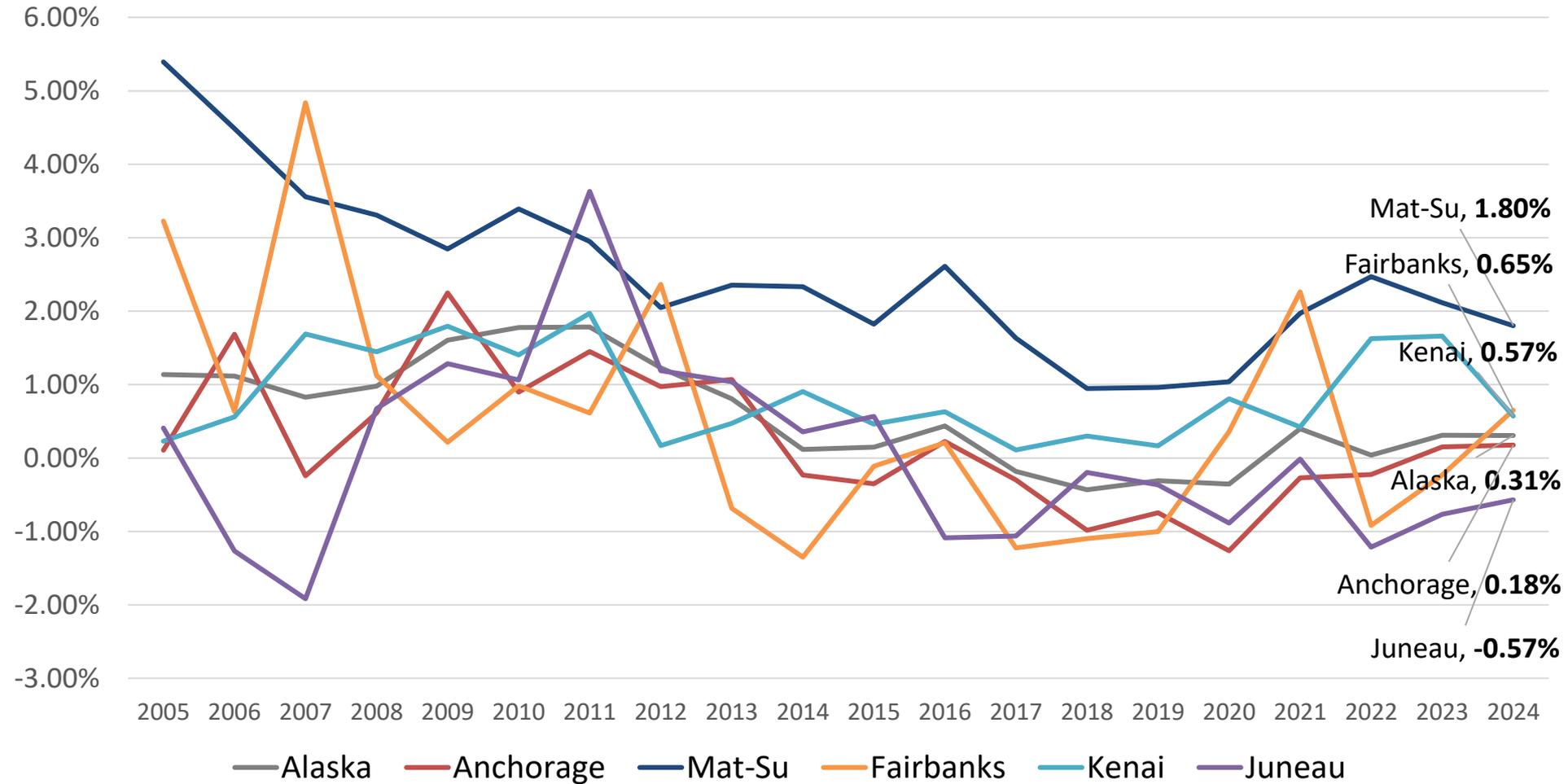
## Annual Population Growth Rates by Area



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

# Mat-Su continues to lead the state in population growth

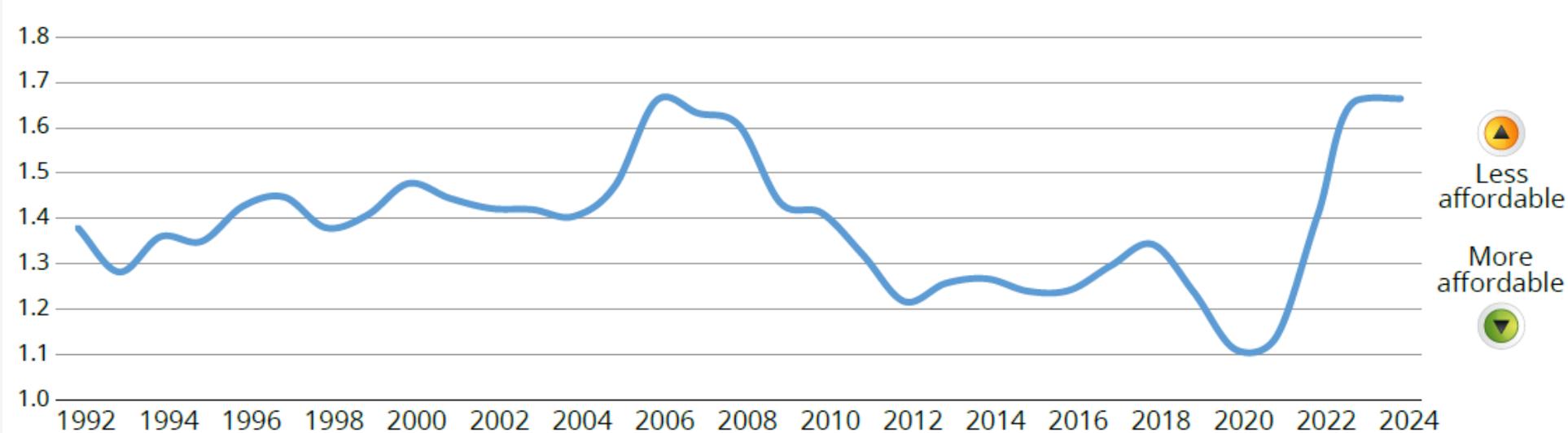
## Annual Population Growth Rates by Area



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

# Rising interest rates and sales prices make home ownership less affordable

## Housing remained at historically least affordable level in 2024



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

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# Questions/Comments

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