The Shift to an Older Alaska

Baby boomers changed the makeup of state’s population

With a median age of 33.8 years, Alaska is the third-youngest state in the nation after Utah and Texas. Alaska is young in part because it has a higher-than-average birth rate and it tends to attract young workers — but more importantly, it’s home to relatively few people age 65 and older. In 2010, that age group was just 7.7 percent of Alaska’s population, the smallest share of any state.

Alaska’s senior population is rapidly changing though. While it’s currently the smallest in the nation, Alaska’s 65-plus population grew at a faster rate than that of any other state between 2000 and 2010. That rate is still on the rise, largely due to aging of the “baby boomers” born during the high birth rate years between 1946 and 1964. The first boomers turned 65 in 2011.

Seniors are not only a growing demographic in Alaska, but one that is rapidly changing. Older Alaskans as a group are becoming more urban-centered and more active in the labor market.

Large influx in the ‘70s and ‘80s

The construction of the Trans-Alaska Oil Pipeline was nearly four decades ago, but it drives much of the current population change, particularly for the older age groups.

Tens of thousands of baby boomers moved to Alaska during the pipeline construction boom of the 1970s, permanently altering the state’s makeup. Though a significant number left after the pipeline’s completion, many also stayed, so the change in the age structure remained and was reinforced when oil revenue and the economy expanded in the 1980s.

Bigger change for Alaska

Though migration of young workers brought dramatic population shifts between 1970 and 1990, the biggest changes between 1990 and 2010 were
due to aging. Even with high rates of annual migration, the relative size of each cohort — or those born within a certain time period — has been stable since 1990, with a very small share born before 1946.

A large group of Alaskans is moving into their senior years, and this shift to an older population is expected to continue through 2030. In 1980, Alaska had just under 12,000 seniors, and by 2010 it had nearly 55,000. As boomers continue to age, Alaska is projected to have almost 150,000 senior citizens by 2030 — that’s an increase from about 3 percent of the total population in 1980 to 17 percent by 2030. (See Exhibit 2.)

This shift won’t be nearly as dramatic in the United States as a whole. Those age 65 and over were already a larger share of the U.S. population in 1980 at just over 11 percent, and they were 13 percent in 2010. By 2030, seniors are projected to be a little less than 20 percent of the nation’s population — that’s a higher projected percentage than in Alaska, but a much smaller change.

**Growth for oldest Alaskans**

Residents age 85 and older have historically been a small part of Alaska’s population, and in 1980, there were just 619. By 2010 that number had grown to 4,711 people, or around half a percent of the state total.

The state projects nearly 12,500 Alaska residents over age 85 in 2030 — that’s a significantly larger number, but would still be just 1.4 percent of the state’s total population.

The baby boomers will reach age 85 beginning in 2031, so larger increases for this group will likely follow through 2050.

Although Alaska’s oldest population is not very large, people over 85 have high rates of disability and need for care, so they are an important group to understand and plan for.

**Fewer moves at higher ages**

People tend to move less as they get older, and although a larger senior population will mean higher numbers of moves, the rate will remain much lower than among younger groups.

Permanent Fund Dividend data show overall migration rates at 7 percent into and 7 percent out of the state per year, but for those 65 and older, the rates fall to 3 percent in and 4 percent out each year.

The effect on the total population count, or “net migration,” is determined by subtracting the number who move out each year from the number who move in. For seniors, that translates into an average net loss of 471 per year from 2000 to 2010.
Perhaps just as important for determining the size of the 65-plus population is Alaska’s fairly large annual net migration loss of people aged 40 to 70, which decreases the future size of the state’s senior population. Based on PFD data for 2000 and 2010, the annual net loss of 40-to-70-year-olds was just over 2,000 people per year. Still, aging of the population is by far the largest factor in determining the size of Alaska’s senior population through 2030.

### More seniors move to cities

Slightly more seniors move from rural to urban Alaska each year than those who move from urban to more rural areas. Anchorage/Mat-Su, Fairbanks North Star Borough, Juneau, and the Kenai Peninsula Borough gained an average of 158 seniors per year from the rest of the state from 2000 to 2010 and lost 84 per year, netting an average of 74 seniors annually from the rest of the state.

A larger portion who left Alaska’s rural areas moved outside the state, and rural areas lost a net total of 120 seniors per year over the last decade. (See Exhibit 3.)

### Large percentages in Southeast

In 2010, 80 percent of Alaska seniors lived in Anchorage/Mat-Su, Fairbanks North Star Borough, Juneau, or the Kenai Peninsula Borough. By 2030, that rate is projected to increase to 82 percent.

With more than 21,139 seniors in 2010, Anchorage was home to the most residents age 65 or older by far, followed by Mat-Su (7,069), Fairbanks North Star Borough (6,375), Kenai Peninsula Borough (6,276), and Juneau (2,635). Anchorage also had the most Alaskans over 85, with nearly 2,000. (See Exhibit 4.)

Southeast has had a large proportion of older residents for decades, a trend that is expected to continue. Wrangell had the highest percentage at 15.8 percent, followed by Haines (13.8 percent) and Hoonah-Angoon (13.4 percent).

Those with the highest percentage of residents age 85 or older were Sitka (1.5 percent), Wrangell (1.4 percent), and Ketchikan and Haines, both at 1.2 percent. (See Exhibit 5.)

The Alaska Department of Labor projects that due to population aging, the senior share of population will continue to grow in each region through 2030.

The regions projected to gain the highest numbers of seniors between 2010 and 2030 are Anchorage/Mat-Su (+53,354), Interior (+13,960), Gulf Coast (+12,922), and Southeast (+9,848). The Southwest (+2,954) and Northern (+1,832) regions, with relatively smaller baby boomer populations, are also expected to gain a significant number over 65, but will likely be less than in Southeast and along the Railbelt.

### Fewer men in higher age groups

Women generally have a longer life expectancy, so there are more women than men in the oldest age groups. As of 2010, Alaska had 1.05 women for every man over 65 — a ratio that is consid-
Population Ages 65 and Over by Borough and Census Area
Alaska, 2010 Census

The relative parity in Alaska is because the state has gained a larger number of men through migration, particularly in the past — but by age 85, male mortality rates increase the ratio of women to men substantially: 1.84 women to every man. For U.S. seniors over 85, it’s 2.07 women to each man.

Decreasing Alaska Native share

The proportion of Alaska Native elders is growing, but not as fast as the non-Native population. (See Exhibit 6.) The department projects that the Alaska Native senior population will more than double between 2010 and 2030 — from 7,870 to 18,293 people — but the Alaska Native share of the total will be less, as the massive influx of people during the ’70s and ‘80s was largely non-Native.

The proportion of seniors who are Alaska Na-
tive has decreased steadily for decades. In 1980, about 25 percent of Alaska’s seniors were Native, which fell to 16.9 percent in 2000 and to 14.3 percent by 2010. The department projects that by 2030, Alaska Natives will be just 12.2 percent of the state’s senior population.

More seniors in the workforce

Labor force participation — those working or available to work — traditionally drops between ages 55 and 64 as people retire. (See Exhibit 7.) However, seniors are more likely to remain in the workforce in Alaska than in the nation as a whole, and the rate of seniors in the workforce is on the rise.

In 1970, a high percentage of Alaska seniors were part of the workforce — 28 percent — but the rate dropped significantly through 1990. (See Exhibit 8.) The major causes may have been a large cohort of baby boomers competing for jobs, or that financially it was a good time to retire. The trend has shifted since then, though, and the senior labor force participation rate grew to 22 percent in Alaska between 2006 and 2010.

The Bureau of Labor Statistics projects that senior participation in the national workforce will be markedly higher in 2020, and if that trend holds for Alaska as well, the state would be at or above its 1970 levels.

It’s important to note that labor force participation doesn’t cover all of the work seniors do. Many older Alaskans are involved in volunteer work, subsistence, and the care of family members.

Poverty rates decrease

Though seniors work less, their incomes are an important part of the economy. The median income of Alaska households headed by people age 65 or older was $45,414 during the period from 2006 to 2010 — much lower than the $66,521 earned by the average Alaska household but considerably more than the average senior-headed household in the U.S. ($33,906). This doesn’t mean seniors are living on less money, though, because these figures don’t include their retirement savings.

Over 90 percent of Alaska senior households received income from Social Security during that period, and it was about the same nationwide. (See Exhibit 9.) Social Security income averaged nearly $16,000 per year in Alaska, and the 55 percent who received retirement income averaged about $28,000.

The poverty rate has steadily decreased among
### Senior Households and Income

#### Alaska and the U.S., 2006 to 2010

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<th>Income in the past 12 months</th>
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<th>Alaska</th>
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*SNAP stands for Supplemental Nutrition Assistance Program.

Note: All earnings and income are in 2010 inflation-adjusted dollars.

Source: U.S. Census Bureau

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Alaska seniors over the decades. In 1980, 14 percent were below the poverty line, which fell to 7.6 percent by 1990 and 6.8 percent by 2000. Between 2006 and 2010 the rate fell further, to 4.5 percent.

### Anticipating the changes

Alaska is always changing — it has been a different place in at least some ways for every generation since statehood — and usually the changes aren’t predictable. However, because population typically evolves so gradually for older age groups, it lends some certainty to the future increase of Alaska’s senior population, which will have important effects on cities, remote communities, the workforce, and Alaska households.

David Howell, a demographer with the Alaska Department of Labor and Workforce Development, contributed to this article.