



ALASKA ECONOMIC
TRENDS

JUNE 2021

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of breweries

ALSO INSIDE

Job numbers show
partial recovery

Pandemic shifted
the hiring pattern

The trajectory
of jobless claims



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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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The ascent of Alaska breweries

2020 loss a likely blip, as we hadn't yet hit saturation

By NEAL FRIED

When we wrote about the dramatic growth of breweries in Alaska four years ago, we assumed the upward trajectory wouldn't continue much longer. Since then, it's become clear we still had room for more, even as the pandemic temporarily pinched the taps.

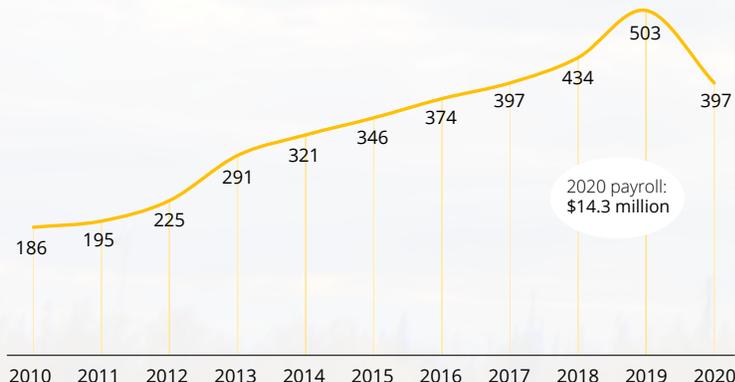
The state had 36 breweries in 2017, which grew to 44 by 2019. Annual jobs jumped from 397 to 503, peaking at 585 that August as record numbers of tourists joined residents to drink Alaska's home-crafted brew.

Alaskans' enthusiasm for locally produced beer intensified as well. According to the Brewers Association, Alaska ranked fifth for breweries per capita and fourth in gallons consumed per capita by the adult population in 2020. The same association estimated breweries' entire economic impact in Alaska at \$332 million the year before.

Pandemic briefly hit the brakes

When the pandemic brought on a downturn in

Brewery jobs down in 2020 after decade climb



Note: Does not include brewpub jobs that are in food service
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

How types of beer are categorized

As a byproduct of its taxing authority, the Alaska Department of Revenue produces various statistics on beer sold. Beer sales fall into two categories, with two tax rates. One label is "malt beverage," which we call big beer here. The big beer category is taxed at a higher rate and covers the larger breweries, such as Coors or Miller.

The other is "qualifying beer," which this article calls craft beer, and its first 60,000 barrels of beer sold in Alaska annually are taxed at a lower rate that's meant to encourage local business.

Although all Alaska breweries and brewpubs fall into the craft beer category, so do many breweries from around the country that fit the lower production criteria and sell beer in Alaska. They also get the lower tax rate because legally, products can't be taxed differently based on where they're produced. However, the Department of Revenue can separate the craft beer category's data into beer produced in the state and beer produced elsewhere.

2020, Alaska's breweries were among the hardest-hit businesses. Although most brewery jobs fall under manufacturing, breweries feed directly into leisure and hospitality, which is mostly restaurants and hotels and is the sector the pandemic hurt most.

Closures or limits on breweries and on bars and restaurants, where most of the product is consumed, combined with patrons' reluctance tanked consumption of Alaska's craft beer last year. The lack of a tourist season added insult to injury; the peak months for drinking craft beer are May through August, with more than a million gallons typically consumed each month. It's about half that in January.

Between fiscal years 2019 and 2020, locally brewed beer consumption fell 14 percent, or about 123,000 gallons.

Alaska breweries and brewpubs, 2020

Sources: Alaska Department of Revenue; Wikipedia; and Alaska Department Labor and Workforce Development, Research and Analysis Section



Per capita, Alaska ranks fifth for breweries and fourth for gallons consumed.

How breweries, brewpubs differ

Breweries fall into two categories: breweries and brewpubs. Alaska also has hybrids of the two. For this article, "breweries" refers to all of them unless otherwise specified.

Similarly, brewery employment decreased in 2020 for the first time in over a decade, dropping by about 100.

Some breweries mainly produce beer for distribution. They sell kegs, bottles, growlers, and cans to individuals and to businesses such as restaurants, bars, and stores. These breweries and their employment usually fall under manufacturing. Many are open to the public for tastings, and some serve food. However, by law, their public hours are limited and so is the amount of beer customers can consume on site. An example is Onsite Brewing Company of Anchorage. The largest is Alaskan Brewing Company of Juneau, which is also the state's longest-running brewery. In 2019, Alaskan was the 19th-largest craft brewery in the nation and the 29th-largest U.S. brewery overall, according to the Brewers Association.

Breweries kept opening, and recovery looks promising

Despite the drop in demand, five more breweries opened in fiscal year 2020 — a record for any single year. Alaska now has 49, spread across 25 communities, although frequent openings and closures make this number a moving target. (See the map above.)

Brewpubs also brew beer, often on site, and serve a variety of foods. Like breweries, brewpubs often sell their beer to other restaurants and stores. They are usually classified as restaurants because most of their employees work in the food service part of the operation. The chart on the previous page doesn't capture some brewpub jobs for that reason, but brewpub employment totaled about 900 in 2020. Examples of brewpubs are Silver Gulch in Fairbanks, 49th State in Healy and Anchorage, and St. Elias Brewing Company in Soldotna.

Anchorage has the most, but breweries and brewpubs have popped up in communities as small or remote as Hoonah, Gakona, and Cooper Landing. Several cater to the visitor industry and only operate seasonally.

Continued on page 10

Job numbers show partial recovery

April jobs up from last year but still well below 2019 level

By KARINNE WIEBOLD

Alaska's job count increased over the year for the first time since the beginning of the pandemic, up 19,100 in April from the same month last year. That doesn't mean something changed between March and April, though. April marks the first month that we're making a year-ago comparison to a month in 2020 that had pandemic-related job losses.

Starting with the April job numbers, we can start to see how much we've recovered from those losses. In percent terms, we'd recovered about 40 percent of the jobs we lost last April. But while April's job count was a jump from last spring's sudden plunge, it was well below April 2019 levels.

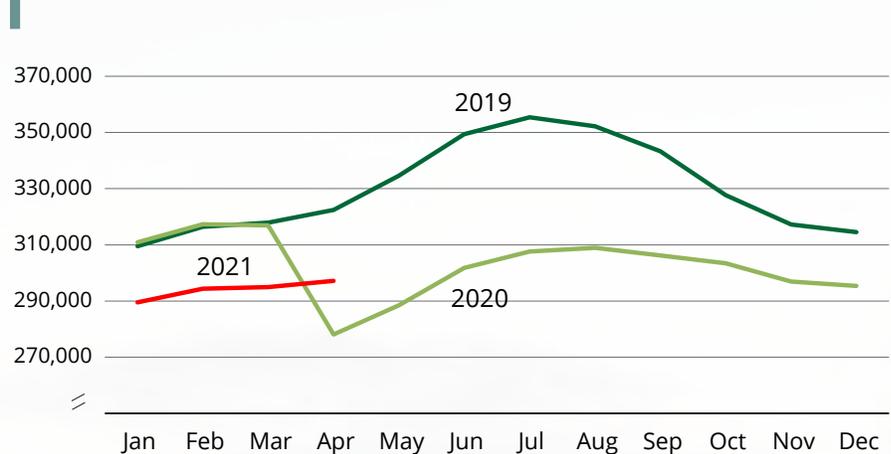
Summer is the economy's busiest season, and employment in a normal year jumps about 15 percent from the winter low to the summer high. The pandemic interrupted our seasonal upswing last April and muted typical job gains throughout the summer, leaving us nearly 50,000 below year-ago levels in June and July.

Last summer was devoid of cruise ships, and local demand for eating out and intrastate travel was curtailed. Summer is also the peak for seafood harvesting and processing, and the pandemic hampered hiring and transporting workers to job sites.

Positive signs for summer 2021

Several developments are on the horizon for this

2021 employment up, but well below 2019 levels



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

summer, however. A growing percentage of the population is vaccinated, and in late May, Congress passed an exemption to the 1886 Passenger Vessel Services Act that temporarily frees cruise companies from making mandatory stops in Canada, which has prohibited large cruise ships from entering its waters since spring of 2020.

Cruise ship companies responded quickly to the exemption, which lasts until February 2022, selling tickets for Alaska cruises that could reach our ports as soon as late July.

Job numbers this summer will easily exceed the lows of last summer, but the extent of the recovery will depend on the strength of local demand, the number of visitors and their spending habits, and the availability of nonresident seasonal workers — particularly for seafood processing.

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Pandemic shifted the hiring pattern

A look at new hires by industry and area throughout 2020

By JOSHUA WARREN

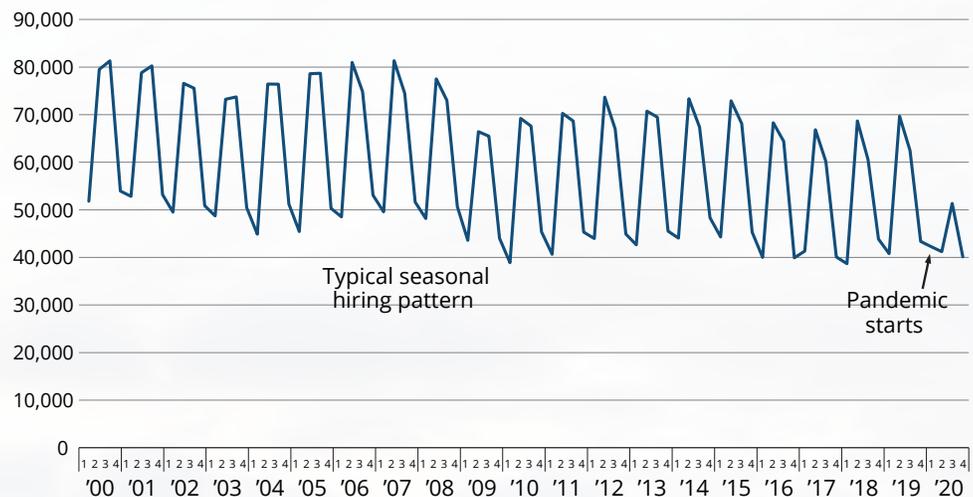
Hiring follows a distinct seasonal pattern every year in Alaska. It ramps up between the first and second quarters as seasonal industries such as seafood processing and tourism prepare for summer, remains elevated in the third quarter, then drops off in the fourth quarter. The numbers of people hired varies, but the pattern of peaks and valleys was always consistent — until 2020.

Although employers in every industry continued to hire people throughout the year, the pandemic changed the seasonal pattern for the first time. Even previous recessions didn't alter hiring in these ways and at these levels. New hires fell 19.5 percent last year, with most of the drop in the second quarter — the typical yearly peak.

The absence of a visitor season, uncertainty about how fish harvesting and seafood processing would operate, and the shutdowns of many bars and restaurants halted much of the staffing increase that would normally take place in the spring.

Industries tied to tourism and the areas that rely on it saw the biggest declines in 2020, but new hires fell in nearly every part of the state and in every industry except state government. The state hired additional temporary staff later in the year to respond to the pandemic.

Pandemic disrupted the historical hiring pattern



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

Changes in hiring levels can have multiple meanings

While the COVID-led economic shock was the clear cause for last year's decrease, hiring levels can shift for multiple reasons. A change isn't an inherently negative or positive sign.

The number of new hires can rise because of growth, but also with higher turnover. Conversely, economic weakness can cause a drop in hiring, but so can job retention. And while job retention is often a sign of stability, people can also hang on to their jobs if economic opportunity seems scarce.

But while hiring data can't be used on their own to gauge the health of the economy, a big shift in hiring levels is a clear sign that something is happening. (See the sidebar on the next page.)

Until 2020, 2nd-quarter hiring had never fallen below 1st-quarter levels.

2020 began normally, and then hiring plummeted in the spring

The first quarter of 2020 began like any other year; in fact, new hires were up a little from the same period in 2019. Then in late March and early April, COVID-19's spread brought hiring to a crawl.

Although the second quarter is normally the yearly high as many industries staff up for summer, last year it dropped so far that the second-quarter numbers fell below first-quarter levels. This had never happened in Alaska. Second-quarter hiring was 41.6 percent lower than it had been the year before, which equaled 28,547 fewer new hires.

Industries linked to tourism suffered the largest job losses when the pandemic began, and hiring followed a similar pattern. While hiring declined in nearly every industry in the spring, a handful slowed to a fraction of their normal levels with the drop in tourism; examples are accommodation and food services and the arts, entertainment, and recreation industry. These industries' second-quarter new hire levels plunged 57.7 percent and 73.4 percent, respectively.

Similarly, the slowdown was most notable in the places that rely on tourism. Skagway and the Denali Borough were hit hardest, with second-quarter hiring down nearly 90 percent from the year before in both places. (See the table on the next page for detailed numbers by area.)

Hiring picked up later in the year, but pattern remained unusual

As the year progressed, industries such as construction and seafood processing figured out how to operate and adapted to travel restrictions, work safety requirements, COVID-19 testing, and quarantining. Hiring remained low, but declines weren't as severe.

New hires rose in the third quarter, but they remained well below what's typical. Oil and gas in particular increased its hiring by over 12 percent compared to third quarter 2019, but its activity dropped off again in the fourth quarter.

Hiring levels nearly recovered late in the year, but the industry mix remained atypical.

About new hires data

Historically, about 16 percent of Alaska workers in a given year have been new hires. A new hire is a worker who appears on an employer's payroll for the first time in a four-quarter period. While this article covers only *new hires*, we classify workers in two other ways: Continuing workers appear on a payroll for all four quarters, and rehired workers appear, disappear, and reappear later in the year.

A vacancy must exist for a new hire to take place, and it can be created through job growth — such as a new or expanded business — or turnover. Turnover, when an existing job becomes vacant, can come from promotions, resignations, or firings.

New hires are not a count of jobs, but of people hired into those jobs over the course of a quarter. Turnover causes some vacancies to be filled by more than one person during a quarter, and some workers are hired by more than one employer. Because this data series includes turnover, it isn't directly comparable with other employment data.

These data are useful for determining where people are getting jobs and what industries may be growing, but they shouldn't be used alone to draw conclusions about the economy or job growth trends. For that purpose, monthly employment data and the year-to-year change in average monthly employment are better choices.

Transportation and warehousing saw one of the steepest hiring drops in the second quarter but it sprang back quickly later in the year, with 339 more new hires in the fourth quarter than the prior year. This was the largest numeric increase in the fourth quarter, aside from state government.

State government's hiring dropped earlier in the year but rose during the third and fourth quarters as the state added temporary staff to process the high numbers of unemployment insurance claims. These positions tended to turn over frequently, which further bumped up the new hire

numbers. (See the sidebar above for more explanation.)

Text continues on page 10

New hires in 2019 and 2020 by industry and area

Industry/Area	Total New Hires			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter							
	2019	2020	Chg	2019	2020	Chg	Pct	2019	2020	Chg	Pct	2019	2020	Chg	Pct					
Ag., Forestry, Fish, Hunt	2,501	2,166	-335	-13.4	365	-10	-2.7	887	627	-260	-29.3	891	823	-68	-7.6	358	361	3	0.8	
Mining, Oil and Gas Extr	4,813	3,706	-1,107	-23.0	1,224	1,093	-131	-10.7	1,296	605	-691	-53.3	1,245	1,275	30	2.4	1,048	733	-315	-30.1
Oil and Gas	3,264	2,367	-897	-27.5	921	879	-42	-4.6	790	235	-555	-70.3	727	1,275	548	42.1	826	438	-388	-47.0
Utilities	610	575	-35	-5.7	110	106	-4	-3.6	185	153	-32	-17.3	201	155	-46	-22.9	114	161	47	41.2
Construction	16,664	14,760	-1,904	-11.4	2,993	2,924	-69	-2.3	5,868	4,574	-1,294	-22.1	4,795	4,580	-215	-4.5	3,008	2,682	-326	-10.8
Manufacturing	16,228	12,876	-3,352	-20.7	2,538	4,086	1,548	61.0	5,337	3,085	-2,252	-42.2	7,327	4,651	-2,676	-36.5	1,026	1,054	28	2.7
Seafood Processing	13,312	10,554	-2,758	-20.7	1,963	3,530	1,567	79.8	4,342	2,539	-1,803	-41.5	6,544	3,987	-2,557	-39.1	463	498	35	7.6
Retail Trade	3,330	2,455	-875	-26.3	795	697	-98	-12.3	1,014	552	-462	-45.6	913	638	-275	-30.1	608	568	-40	-6.6
Wholesale Trade	27,630	25,406	-2,224	-8.0	4,795	4,822	27	0.6	8,530	6,598	-1,932	-22.6	7,110	6,885	-225	-3.2	7,195	7,101	-94	-1.3
Transp/Warehousing	12,139	8,406	-3,733	-30.8	1,887	1,810	-77	-4.1	5,009	2,101	-2,908	-58.1	3,314	2,227	-1,087	-32.8	1,929	2,268	339	17.6
Information	1,786	1,616	-170	-9.5	409	433	24	5.9	474	239	-235	-49.6	428	449	21	4.9	475	495	20	4.2
Finance and Insurance	2,095	2,003	-92	-4.4	459	687	228	49.7	581	300	-281	-48.4	548	522	-26	-4.7	507	494	-13	-2.6
Real Estate/Rental	3,615	2,459	-1,156	-32.0	588	545	-43	-7.3	1,370	696	-674	-49.2	1,078	780	-298	-27.6	579	438	-141	-24.4
Professional, Sci, Tech	7,222	6,519	-703	-9.7	1,931	1,984	53	2.7	1,997	1,258	-739	-37.0	1,836	1,780	-56	-3.1	1,458	1,497	39	2.7
Mgmt of Companies	882	595	-287	-32.5	195	181	-14	-7.2	295	147	-148	-50.2	239	126	-113	-47.3	153	141	-12	-7.8
Admin Spt/Waste Mgmt	12,810	9,633	-3,177	-24.8	2,571	2,669	98	3.8	4,153	2,487	-1,666	-40.1	3,394	2,252	-1,142	-33.6	2,692	2,225	-467	-17.3
Educational Services	1,855	1,379	-476	-25.7	382	390	8	2.1	605	263	-342	-56.5	513	347	-166	-32.4	355	379	24	6.8
Health Care and Soc Asst	22,142	20,933	-1,209	-5.5	4,793	5,442	649	13.5	5,779	4,212	-1,567	-27.1	5,935	5,597	-338	-5.7	5,635	5,682	47	0.8
Arts, Entertainment, Rec	6,439	3,413	-3,026	-47.0	964	1,029	65	6.7	2,720	724	-1,996	-73.4	1,668	923	-745	-44.7	1,087	737	-350	-32.2
Accommodation/Food Svc	38,837	24,328	-14,509	-37.4	6,301	5,929	-372	-5.9	14,076	5,952	-8,124	-57.7	11,456	7,673	-3,783	-33.0	7,004	4,774	-2,230	-31.8
Other Services	7,136	6,242	-894	-12.5	1,491	1,548	57	3.8	2,262	1,324	-938	-41.5	1,817	1,765	-52	-2.9	1,566	1,605	39	2.5
Local Government	17,206	15,066	-2,140	-12.4	3,482	3,305	-177	-5.1	4,194	2,737	-1,457	-34.7	5,108	4,982	-126	-2.5	4,422	4,042	-380	-8.6
State Government	4,918	5,111	193	3.9	1,123	917	-206	-18.3	1,652	1,305	-347	-21.0	1,297	1,552	255	19.7	846	1,337	491	58.0
Alutians East	2,109	1,237	-872	-41.3	272	767	495	182.0	1,079	255	-824	-76.4	548	126	-422	-77.0	210	89	-121	-57.6
Aleutians West	2,287	1,929	-358	-15.7	1,143	1,052	-91	-8.0	412	163	-249	-60.4	461	361	-100	-21.7	271	353	82	30.3
Anchorage	77,582	62,300	-15,282	-19.7	15,650	15,539	-111	-0.7	23,106	14,070	-9,036	-39.1	20,721	16,765	-3,956	-19.1	18,105	15,926	-2,179	-12.0
Bethel	5,252	4,964	-288	-5.5	991	1,137	146	14.7	1,445	1,106	-339	-23.5	1,721	1,611	-110	-6.4	1,095	1,110	15	1.4
Bristol Bay	3,092	2,610	-482	-15.6	95	173	78	82.1	916	808	-108	-11.8	1,980	1,522	-458	-23.1	101	107	6	5.9
Denali	3,247	727	-2,520	-77.6	122	104	-18	-14.8	2,031	222	-1,809	-89.1	964	304	-660	-68.5	130	97	-33	-25.4
Dillingham	2,215	1,437	-778	-35.1	214	256	42	19.6	679	375	-304	-44.8	1,035	539	-496	-47.9	287	267	-20	-7.0
Fairbanks N Star	25,053	20,746	-4,307	-17.2	4,581	4,471	-110	-2.4	8,159	5,656	-2,503	-30.7	6,891	5,645	-1,246	-18.1	5,422	4,974	-448	-8.3
Haines	803	620	-183	-22.8	86	165	79	91.9	362	173	-189	-52.2	261	172	-89	-34.1	94	110	16	17.0
Hoonah-Angoon	724	533	-191	-26.4	79	85	6	7.6	349	155	-194	-55.6	206	208	2	1.0	90	85	-5	-5.6
Juneau	9,762	6,613	-3,149	-32.3	1,801	1,587	-214	-11.9	3,881	1,504	-2,377	-61.2	2,387	2,026	-361	-15.1	1,693	1,496	-197	-11.6
Kenai Peninsula	13,975	12,860	-1,115	-8.0	2,317	2,776	459	19.8	5,490	3,375	-2,115	-38.5	3,907	4,212	305	7.8	2,261	2,497	236	10.4
Ketchikan Gateway	4,456	2,807	-1,649	-37.0	584	735	151	25.9	1,825	699	-1,126	-61.7	1,406	777	-629	-44.7	641	596	-45	-7.0
Kodiak Island	3,402	2,657	-745	-21.9	642	884	242	37.7	1,001	558	-443	-44.3	1,239	765	-474	-38.3	520	450	-70	-13.5
Kusilvak	2,200	1,913	-287	-13.0	359	367	8	2.2	597	348	-249	-41.7	790	711	-79	-10.0	454	487	33	7.3
Lake and Peninsula	965	773	-192	-19.9	79	107	28	35.4	262	223	-39	-14.9	449	331	-118	-26.3	175	112	-63	-36.0
Matanuska-Susitna	18,301	15,597	-2,704	-14.8	3,402	3,224	-178	-5.2	5,601	3,918	-1,683	-30.0	5,347	4,650	-697	-13.0	3,951	3,805	-146	-3.7
Nome	2,995	2,419	-576	-19.2	606	546	-60	-9.9	765	523	-242	-31.6	945	725	-220	-23.3	679	625	-54	-8.0
North Slope	7,281	5,071	-2,210	-30.4	2,117	2,355	238	11.2	1,602	694	-908	-56.7	1,726	1,130	-596	-34.5	1,836	892	-944	-51.4
Northwest Arctic	2,498	2,174	-324	-13.0	530	370	-160	-30.2	635	507	-128	-20.2	873	804	-69	-7.9	460	493	33	7.2
Petersburg	962	932	-30	-3.1	139	252	113	81.3	252	223	-29	-11.5	379	306	-73	-19.3	192	151	-41	-21.4
Prince of Wales-Hyder	1,598	1,360	-238	-14.9	226	222	-4	-1.8	534	364	-170	-31.8	548	490	-58	-10.6	290	284	-6	-2.1
Sitka	3,370	2,616	-754	-22.4	540	511	-29	-5.4	1,247	546	-701	-56.2	1,163	1,078	-85	-7.3	420	481	61	14.5
Skagway	1,251	267	-984	-78.7	69	50	-19	-27.5	860	94	-766	-89.1	275	81	-194	-70.5	47	42	5	-10.6
Southeast Fairbanks	1,467	1,331	-136	-9.3	265	268	3	1.1	521	352	-169	-32.4	421	395	-26	-6.2	260	316	56	21.5
Valdez-Cordova	4,815	3,175	-1,640	-34.1	512	902	390	76.2	1,927	774	-1,153	-59.8	1,912	1,149	-763	-39.9	464	350	-114	-24.6
Wrangell	603	471	-132	-21.9	102	135	33	32.4	203	117	-86	-42.4	185	122	-63	-34.1	113	97	-16	-14.2
Yakutat	287	235	-52	-18.1	26	36	10	38.5	105	67	-38	-36.2	103	60	-43	-41.7	53	72	19	35.8
Yukon-Koyukuk	1,980	1,750	-230	-11.6	302	314	12	4.0	601	397	-204	-33.9	649	582	-67	-10.3	428	457	29	6.8

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

NEW HIRES

Continued from page 8

These industries represented the largest increases from the second-quarter low, but a handful of other industries picked up as well. By the fourth quarter, which is the typical low point, overall hiring was not that far below what it would normally be.

But while hiring levels had nearly recovered late in the year, the industry mix remained atypical. Accommodation and food services' new hires were still low in the fourth quarter — nearly 32 percent

below the previous year — as bars and restaurants found other ways to operate but remained at lower capacity.

While 2021's numbers will likely show improvement from the unprecedented lows of 2020, a recovery to full spring and summer hiring levels is unlikely this year. Still, tourism will pick up as vaccinations and travel increase and more businesses reopen. Large cruise ships, which bring the majority of the year's visitors to Alaska, are scheduled to return in July.

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ALASKA BREWERIES

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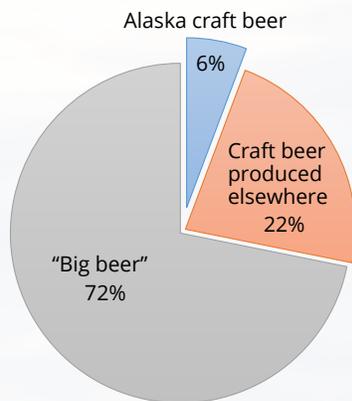
Consumption hasn't fully rebounded yet, although it had risen right before the pandemic hit. In January and February of 2020, patrons consumed slightly more craft beer than during the same period the year before.

At the lowest point, in April, consumption was down 39 percent. The numbers began to improve through September, but then fell again through most of the winter.

This year will undoubtedly be a better one for Alaska's breweries, as they — along with restaurants

Taste for craft beer grew over decade even as total beer consumption fell

Types of beer sold in Alaska, 2020



Source: Alaska Department of Revenue



Source: Alaska Department of Revenue

and bars — inch closer to full capacity and pent-up demand kicks in.

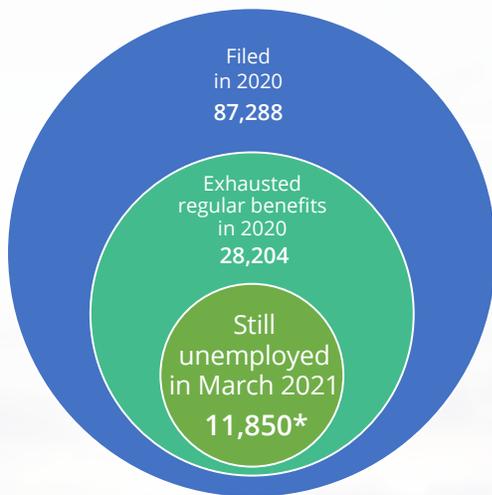
A busier visitor season, at least compared to 2020, will also help. The pandemic is still a factor, which makes a return to 2019 consumption levels a tall order this year. But more locals going out, some visitors returning, and the recent opening of several more breweries with more planned bode well for the industry's future.

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The trajectory of jobless claims

Growing share of pandemic filers on extension programs

2020's claimants and how many ran out of allowed regular benefits



*The 11,850 people considered long-term unemployed were still collecting on an extension program in March and first exhausted their allowed weeks of regular benefits in 2020.

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

By JENNA LUHRS

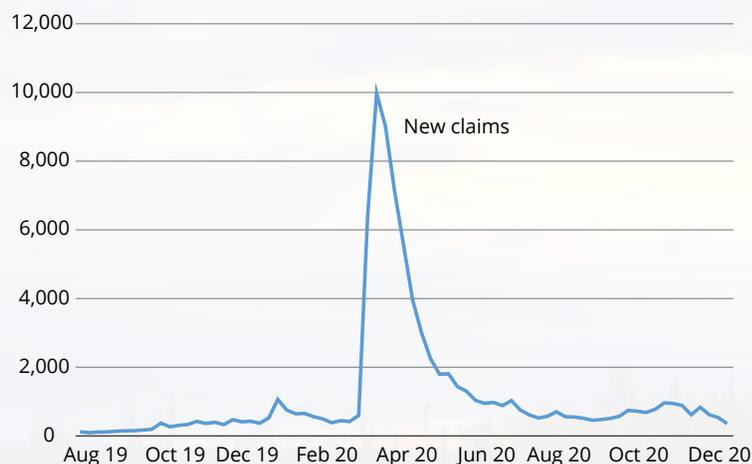
Last year represented the highest number of total unemployment insurance claimants in Alaska since the program's inception in 1937. More than 87,000 people filed for benefits in 2020.

One in three claimants — about 28,000 — exhausted their allowed weeks¹ of regular benefits at some point during the year, and one in four collected on at least one of the federal extension programs.²

In the last quarter of 2020, 61 percent of the year's claimants reported earning wages again, but the number of people who were still unemployed and collecting on an extension program increased each month in early 2021.

In March 2021, nearly 16,000 people were collecting benefits on an extension program, and 11,850 of them were unemployed long-term because of the pandemic — they exhausted their regular benefits last year.

Most claims opened over three-month period



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

A look at overall claims pattern through March

Last year's record number of unemployment insurance claims was 20 percent higher than the previous peak in 2010. The severe and sudden losses the pandemic spurred were also a first.

Job losses were deepest and benefit demand highest between March and May of 2020, when six out of 10 of the year's filers opened their claim.

¹In Alaska, claimants can qualify for 16 to 26 weeks of regular benefits.

²Extension programs refer to the federal extended benefits that become available with certain economic conditions and to Pandemic Emergency Unemployment Compensation, or PEUC. It excludes Pandemic Unemployment Assistance, or PUA. For more on these programs, see the February issue.

The number of *monthly* claims, which includes new and continuing filers, peaked at just under 55,000 in May. After that spike, demand for benefits dropped over the summer, during what would normally be Alaska's busiest employment season.

The monthly claims level settled around 30,000 and stayed there from September through March of this year. March, the most recent month available, recorded just under 32,000 total claims, which was about triple the pre-pandemic norm.

Retail represented the highest number of 2020 claims

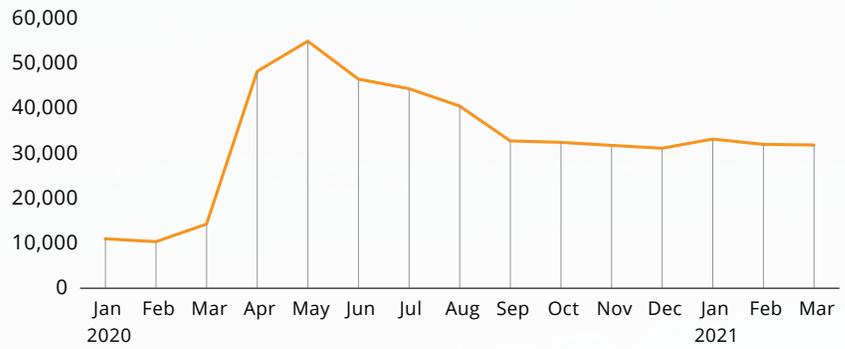
By industry, workers from retail trade, health care, and food services filed the most claims last year.

Construction and seafood processing typically represent the largest numbers of claimants, but COVID-19 hit the service industries especially hard.

Seafood processing claims still doubled during the pandemic, however. Like meat processors in the Lower 48, seafood processing's working conditions made it especially susceptible to virus spread. During the summer and early fall of 2020, Alaska's seafood processing facilities and floating processors recorded 13 outbreaks.

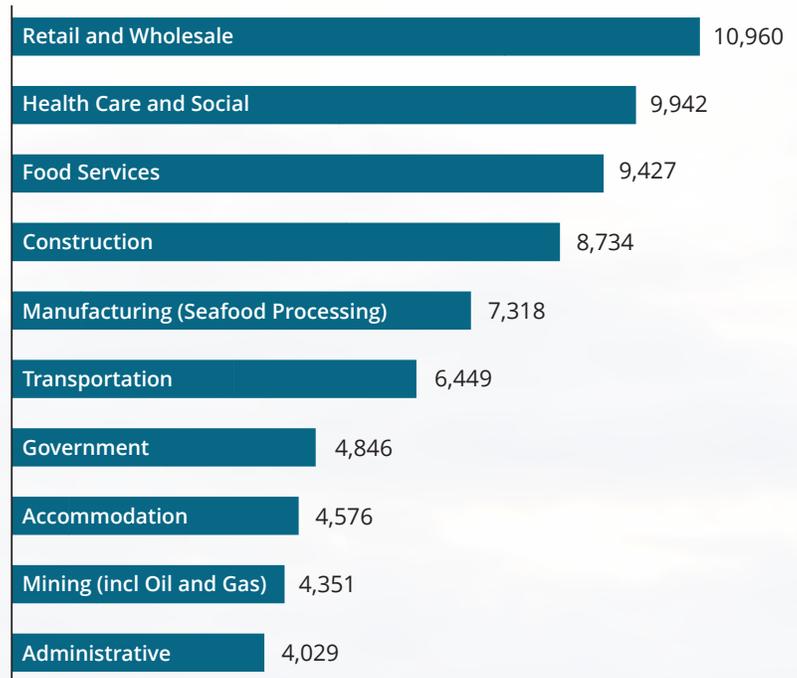
Transportation, accommodation, and oil and gas also produced high numbers of claims in 2020. The oil and gas industry's job losses were most severe from March to May and in early summer. At that time, thousands were returning to jobs in health care, retail, and food services, but not oil and gas. Although oil prices recovered in early 2021, the industry continued to lose jobs as projects on the North Slope were at least temporarily suspended.

Monthly claims haven't declined since September



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

Industries with the most total claims in 2020

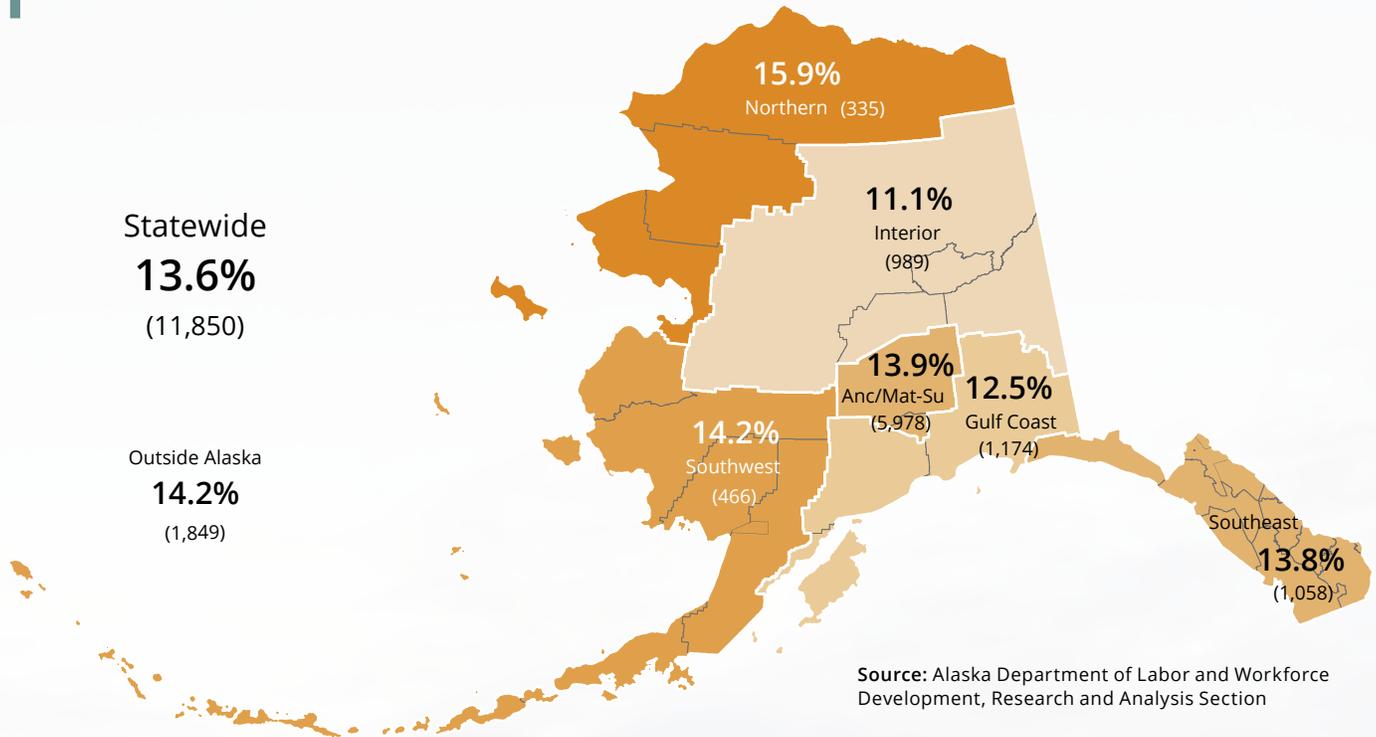


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Who was earning wages again in the last quarter of 2020

By the end of 2020, 61 percent of claimants had returned to work. In other words, about 53,500 of the 87,000 who filed at some point last year reported earning wages again in the fourth quarter. Of those working again, 14 percent were in health

Percent of 2020 claimants still on extension programs in March 2021, by area



care, followed by retail at 13 percent, construction at 12 percent, and food services at 10 percent.

unemployed in Southeast. For the Gulf Coast, it was construction.

Who was long-term unemployed in March 2021

While the number of total monthly claims hadn't changed much since last fall, the share who had exhausted their allowed weeks of regular benefits and moved on to an extension program steadily increased in early 2021. In January, 30 percent of all claimants were long-term unemployed. That grew to over 40 percent in February and topped 50 percent in March.

Statewide, March 2021's long-term unemployed claimants represented 14 percent of everyone who filed for benefits last year. By region, it varied from 11 percent to 16 percent, as the map shows.

Statewide, long-term claimants were spread across industries, but the breakdowns varied by area. In Anchorage and the Interior, home to a majority of Alaskans, the long-term unemployed came mostly from food services. In the Northern and Southwest regions, it was government and retail. Retail was also the most common industry for the long-term

\$300 weekly add-on ended, other programs extended to September

At the end of May, Alaska joined 20 other states in halting the additional \$300 per week federal add-on for all types of benefits, which would have expired in September.

Congress extended the additional programs created for pandemic relief — Pandemic Emergency Unemployment Compensation and Pandemic Unemployment Assistance — through September. Federal extended benefits — which trigger automatically with certain economic conditions — were also still available as of the end of May.

For detailed information on extended benefits and the pandemic relief extension programs, see the February issue of *Trends*. For monthly claims by borough and census area, see: <https://live.laborstats.alaska.gov/uiprog/index.cfm>

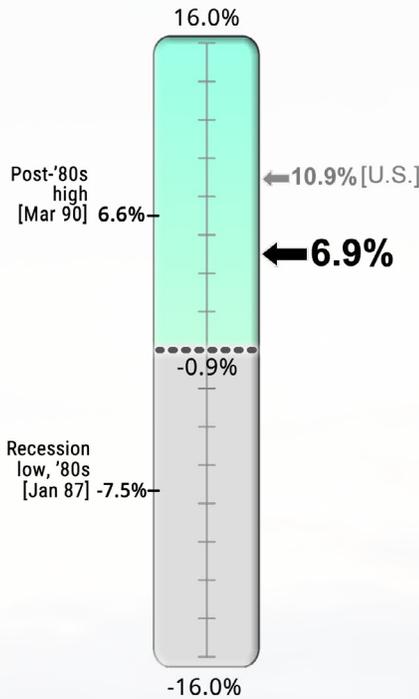
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Gauging The Economy



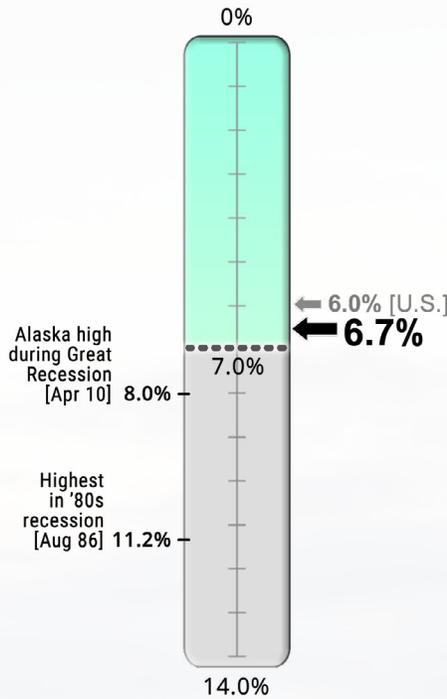
Job Growth

April 2021
Over-the-year percent change



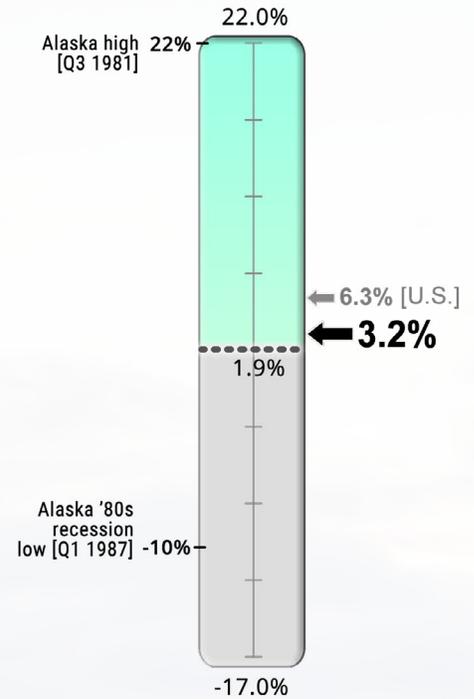
Unemployment Rate

April 2021
Seasonally adjusted



Wage Growth

4th Quarter 2020
Over-the-year percent change

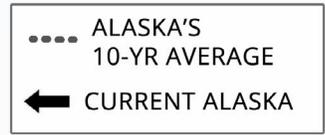


➤ The spread of COVID-19 caused a rapid drop in employment beginning in April 2020. This month marks the first comparison to a month in 2020 that had COVID-related job loss. Although employment is up significantly from that low period, it's well below April 2019 levels.

➤ Alaska's unemployment rate has been difficult to calculate during the pandemic and is less useful as an economic measure than it normally would be.

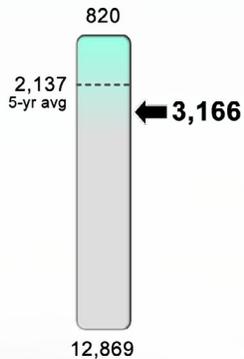
➤ After being well down during the second and third quarters of 2020, total wages paid by Alaska employers climbed above year-ago levels in the fourth quarter.

Gauging The Economy



Initial Claims

Unemployment, week ending May 8, 2021**

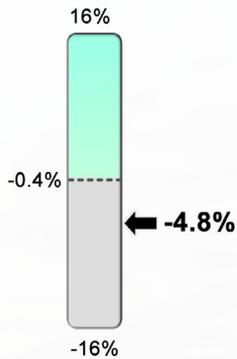


➤ Unemployment claims jumped in the spring of 2020 with the pandemic as many businesses shut down or limited services, and they remain elevated.

**Four-week moving average ending with specified week

GDP Growth

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

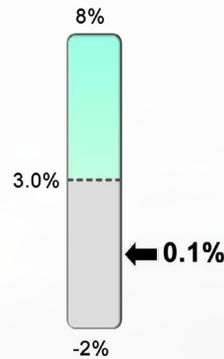


➤ Gross domestic product is the value of the goods and services a state produces. Alaska's GDP dropped significantly when COVID-19 hit, but is slowly recovering.

*In current dollars

Personal Income Growth

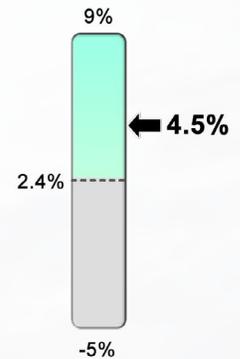
4th Quarter 2020 Over-the-year percent change



➤ 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**

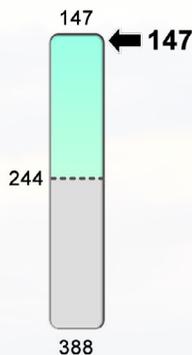


➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

**Four-quarter moving average ending with specified quarter

Foreclosures

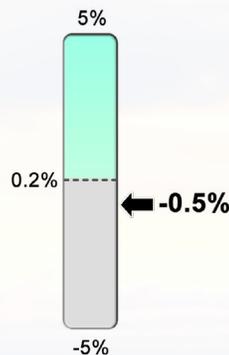
1st Quarter 2020



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

Population Growth

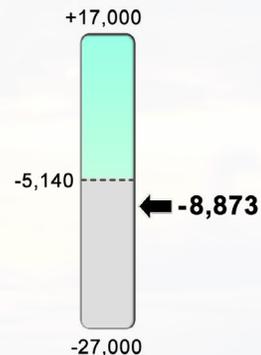
2019 to 2020



➤ This was the fourth straight year of population decline.

Net Migration

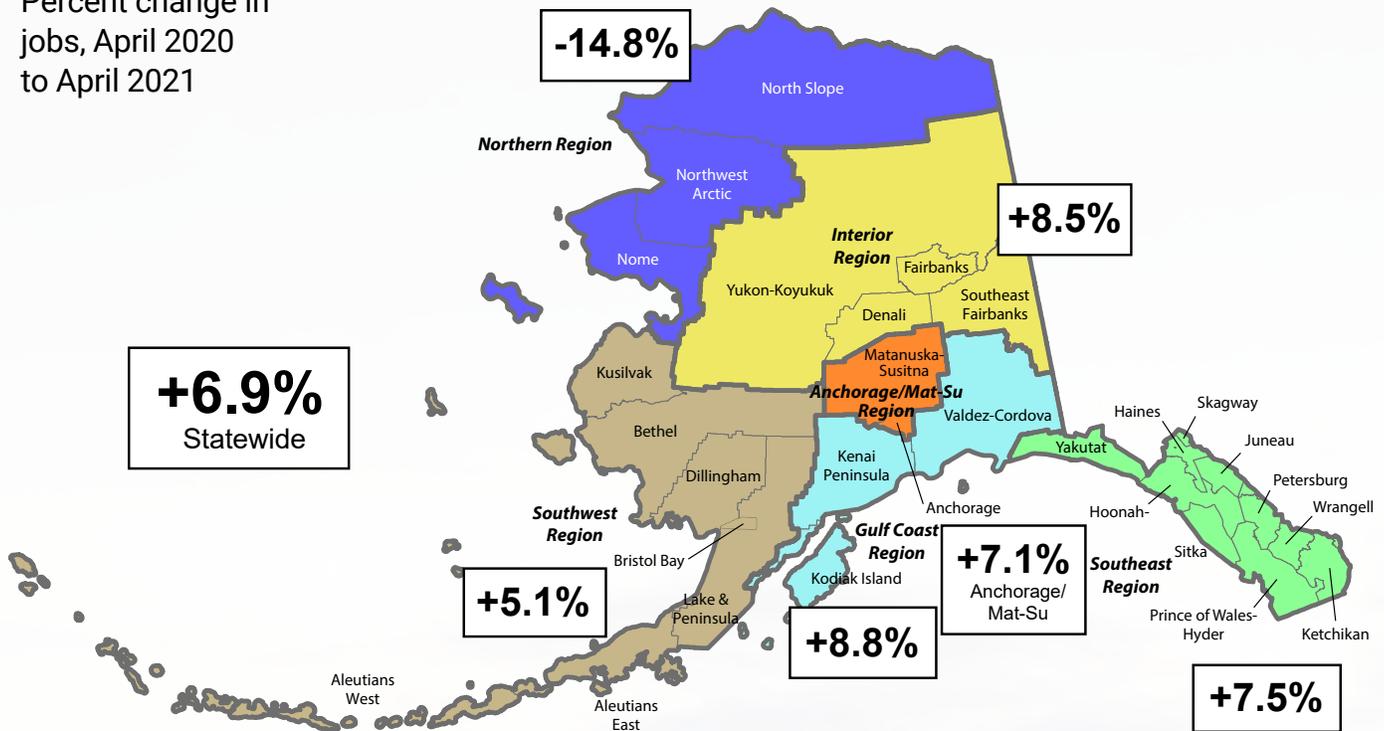
2019 to 2020



➤ 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, April 2020 to April 2021



Seasonally adjusted

	Prelim.		Revised
	4/21	3/21	4/20
United States	6.1	6.0	14.8
Alaska	6.7	6.7	11.8

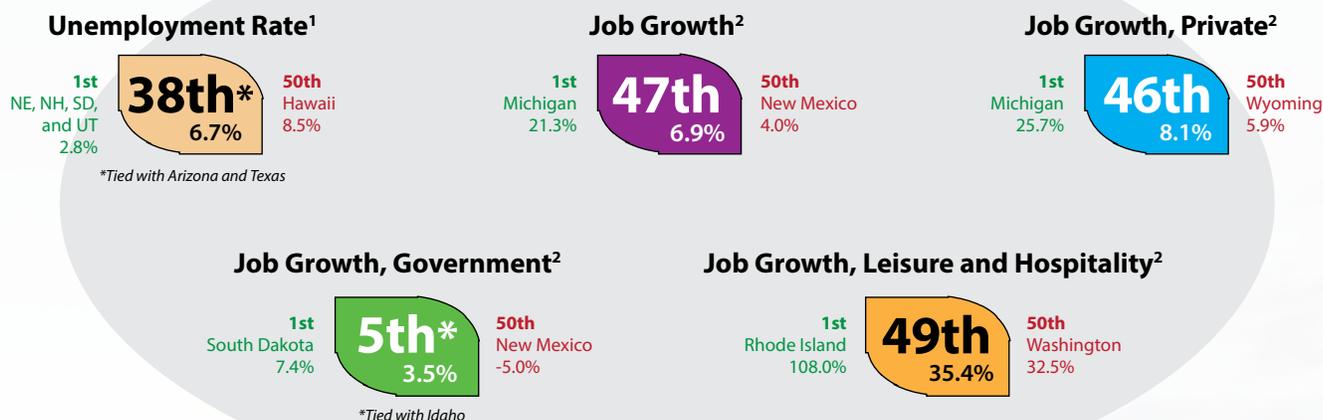
Not seasonally adjusted

	Prelim.		Revised
	4/21	3/21	4/20
United States	5.7	6.2	14.4
Alaska	7.5	7.4	12.4

Regional, not seasonally adjusted

	Prelim.			Revised		
	4/21	3/21	4/20	4/21	3/21	4/20
Interior Region	6.4	6.4	10.4			
Denali Borough	17.4	17.4	25.5			
Fairbanks N Star Borough	5.8	5.8	10.0			
Southeast Fairbanks Census Area	7.6	8.0	8.8			
Yukon-Koyukuk Census Area	13.1	12.9	15.3			
Northern Region	11.5	10.6	10.1			
Nome Census Area	13.1	11.8	12.6			
North Slope Borough	6.5	6.0	4.8			
Northwest Arctic Borough	15.3	15.0	13.2			
Anchorage/Mat-Su Region	7.2	7.1	12.8			
Anchorage, Municipality	7.0	6.8	12.4			
Mat-Su Borough	8.0	8.0	13.9			
Southwest Region	10.1	9.0	10.7			
Aleutians East Borough	2.1	2.1	7.8			
Aleutians West Census Area	2.4	2.0	3.7			
Bethel Census Area	13.5	12.5	12.1			
Bristol Bay Borough	10.0	13.4	13.3			
Dillingham Census Area	9.5	8.4	9.8			
Kusilvak Census Area	23.0	20.5	23.7			
Lake and Peninsula Borough	11.3	9.6	13.8			
Gulf Coast Region	8.8	8.7	13.8			
Kenai Peninsula Borough	9.3	9.1	15.0			
Kodiak Island Borough	6.0	6.0	8.9			
Valdez-Cordova Census Area	9.5	10.3	13.7			
Southeast Region	7.4	7.5	12.8			
Haines Borough	14.4	14.7	25.7			
Hoonah-Angoon Census Area	13.7	14.3	16.9			
Juneau, City and Borough	5.7	5.7	10.1			
Ketchikan Gateway Borough	9.0	9.1	15.7			
Petersburg Borough	8.6	9.2	13.1			
Prince of Wales-Hyder Census Area	8.7	9.2	12.3			
Sitka, City and Borough	5.5	5.8	12.2			
Skagway, Municipality	18.3	18.2	32.7			
Wrangell, City and Borough	7.6	7.7	12.9			
Yakutat, City and Borough	9.4	10.5	9.7			

How Alaska Ranks



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

¹April seasonally adjusted unemployment rates

²April 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	\$65.02	Apr 2021	\$16.55	+75.40%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$2.69	Apr 2021	\$1.75	+53.71%
Gold, per oz. COMEX	\$1,900.50	5/24/2021	\$1,728.20	+9.97%
Silver, per oz. COMEX	\$28.06	5/24/2021	\$17.60	+59.43%
Copper, per lb. COMEX	\$4.51	May 2021	\$2.41	+87.14%
Zinc, per lb.	\$1.35	5/24/2021	\$0.90	+50.00%
Lead, per lb.	\$0.98	5/24/2021	\$0.71	+38.03%
Bankruptcies				
Business	63	Q1 2021	93	-32.26%
Personal	5	Q1 2021	14	-64.29%
Personal	58	Q1 2021	79	-26.59%
Unemployment insurance claims				
Initial filings	15,756	Apr 2021	53,809	-70.72%
Continued filings	56,046	Apr 2021	189,792	-70.47%
Claimant count	13,833	Apr 2021	48,238	-71.32%

*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; NASDAQ; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

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