



# ALASKA ECONOMIC TRENDS

OCTOBER 2023

## ALSO INSIDE

The types of jobs  
that workers keep

# Teachers' wage premium shrinks

# FROM THE COMMISSIONER

## Older and disabled Alaskans are assets at work

**By Catherine Muñoz, Acting Commissioner**

Our definitions of “meaningful employment” may differ, but we all gather some type of purpose from our work. While the meaning our parents got from their jobs may differ from what our children and grandchildren will seek, everyone can find purpose in their work. Too often, however, people with disabilities struggle to find and retain meaningful employment and miss out on important opportunities to participate in the workforce.

This year marks the 50th anniversary of the Rehabilitation Act of 1973. Originally passed in 1917 to help World War I veterans with disabilities, the 1973 Rehabilitation Act was the first federal legislation to address access and equity for all Americans with disabilities.

This act changed the lives of millions, removing barriers and providing services to help disabled Americans participate in their communities and in the workplace. The Rehabilitation Act provides formula grant programs through vocational rehabilitation, supported employment, independent living, and client assistance. It also protects workers from discrimination on the basis of disability.

Older people may also need assistance with employment. The Senior Community Services Program, which we call the Mature Alaskans Seeking Skills Training program, or MASST, began with the passage of the Older Americans Act in 1965. In Alaska, the MASST program helps older people obtain new skills so they can resume meaningful careers in the modern workplace.

Serving older Alaskans and those with disabilities is the mission of the Division of Vocational Rehabilitation, which is part of the Department of Labor and Workforce Development. Our DVR team is dedicated to improving the lives of disabled Alaskans who want to find and keep meaningful employment.



In September, Gov. Dunleavy recognized members of the Anchorage-Eagle River Vocational Counseling Team for their dedicated commitment to Alaskans with disabilities. The governor awarded the team an Honorable Mention for the 2023 Denali Peak Performance Award in the Customer Service Excellence Team category.

DVR Director Duane Mayes and I had the honor of congratulating the team and thanking them for their service to Alaskans.

Meaningful work provides dignity, and employers can help. Our workplaces also benefit when we employ diverse workforces. Often, though, employers might be hesitant to hire a disabled or older Alaskan because they are unsure how to prepare their new employee for success. DVR's Business Engagement Team is ready to help you navigate these issues.

One way DVR can help is providing workplace accommodations. Sometimes, small accommodations are all that's necessary for a person with a disability to fully perform the duties of the job.

Gov. Dunleavy has declared Sept. 24-30 as Employ Older Workers Week and Oct. 1-7 as Alaska Employ People with Disabilities Week, proclamations that encourage employers to hire these qualified Alaskans. Employers can, to quote the governor, provide a “sense of pride, financial security, stable living conditions, access to quality health management, and elevated independence.”

Sincerely,

A handwritten signature in black ink that reads "Catherine Muñoz".

Contact Acting Commissioner Catherine Muñoz at (907) 465-2700 or [commissioner.labor@alaska.gov](mailto:commissioner.labor@alaska.gov).



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**ON THE COVER:**

A ranger teaches students how to use a spy glass in the Tongass National Forest. This public domain photo was submitted for the July 2023 employee photo contest: Moments of Learning. Photo courtesy of Jennifer Kardiak, USDA Forest Service

**ALASKA**  
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Trends is a nonpartisan, data-driven magazine that covers a variety of economic topics in Alaska.

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# Teachers' shrinking wage advantage

## Alaska used to pay the most, but now we're tenth

### Average teacher pay by state, 2022

State	Wage
1 New York	\$92,222
2 Massachusetts	\$88,903
3 California	\$87,275
4 District of Columbia	\$82,523
5 Washington	\$81,586
6 Connecticut	\$81,185
7 New Jersey	\$79,045
8 Rhode Island	\$76,852
9 Maryland	\$75,766
<b>10 Alaska</b>	<b>\$73,722</b>
11 Illinois	\$72,301
12 Pennsylvania	\$72,248
13 Oregon	\$69,671
14 Minnesota	\$68,491
15 Hawaii	\$67,000
<b>United States</b>	<b>\$66,397</b>
16 Delaware	\$65,647
17 Michigan	\$65,198
18 Ohio	\$63,153
19 Vermont	\$62,866
20 New Hampshire	\$62,783
21 Georgia	\$61,249
22 Wyoming	\$60,820
23 Wisconsin	\$60,453
24 Virginia	\$59,965
25 Iowa	\$59,262
26 Texas	\$58,887
27 Maine	\$58,757
28 Utah	\$58,619
29 Colorado	\$58,481
30 Nevada	\$57,804
31 Nebraska	\$57,420
32 Alabama	\$55,834
33 North Dakota	\$55,769
34 Kansas	\$54,815
35 Oklahoma	\$54,804
36 Arizona	\$54,580
37 Kentucky	\$54,574
38 New Mexico	\$54,272
39 Idaho	\$54,232
40 Indiana	\$54,126
41 North Carolina	\$53,644
42 Montana	\$53,628
43 Tennessee	\$53,619
44 South Carolina	\$53,393
45 Arkansas	\$52,486
46 Missouri	\$52,481
47 Louisiana	\$52,376
48 Florida	\$51,230
49 West Virginia	\$50,315
50 South Dakota	\$49,761
51 Mississippi	\$47,162

Source: The National Center for Education Statistics

By JOSHUA WARREN

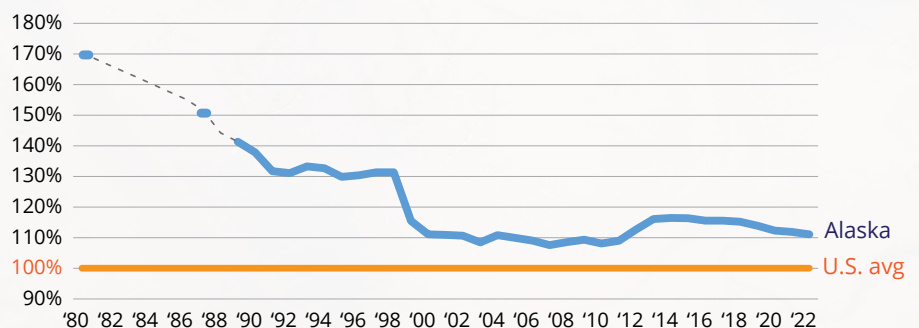
In the 1980s and '90s, Alaska had a distinct competitive advantage when recruiting teachers. In addition to offering natural beauty, recreation, and adventure, Alaska had the highest average salary in the country for K-12 teachers.

In 1980, Alaska teachers made 170 percent of the national average for teachers (see the graph below), which made recruiting easy despite the higher cost of living and, sometimes, the adjustment to remote rural life. In the decades since, Alaska has fallen closer to the national average while some states have increased their teacher pay in comparison.

The 2022 rankings at left list New York as the top-paying state for teachers, with an average salary of nearly 140 percent of the U.S. average. When Alaska was paying 170 percent in 1980, New York was paying 124 percent.

Alaska ranked 10th last year at 111 percent, a percentage the state has hovered around since the late 1990s. Alaska's average wages for teachers dropped sharply in the late 1990s, as the graph below shows. Amid sweeping budget cuts, the state offered teachers an early retirement incentive, which included dropping the required years of service from 20 to 17. Many highly paid, experienced teachers in Alaska accepted that offer and were replaced with lower-paid new teachers, which brought the average down.

### Alaska's teacher wage premium over U.S.



Note: Data were unavailable for 1981 through 1986 and 1988.

Source: The National Center for Education Statistics

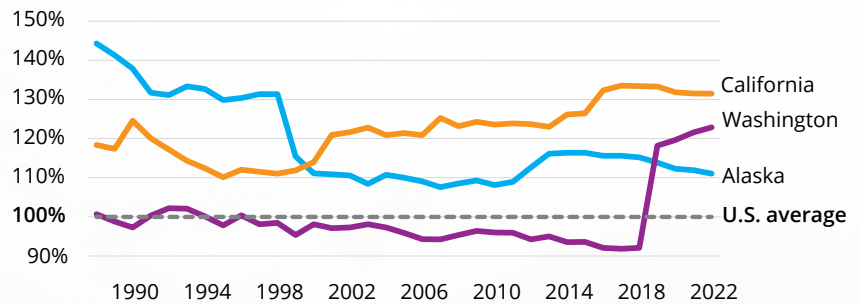
## Two neighboring states pay more

Two of the states that have surpassed Alaska are among our closest neighbors: Washington and California.

As shown at right, California has topped Alaska for more than 20 years, and Washington jumped ahead of Alaska five years ago after decades of low pay that usually fell below the U.S. average.

Washington's wage spike in the late 2010s came after the Washington Supreme Court ruled in 2012 that the state wasn't adequately funding education. After several years of wrangling, that resulted in big increases in teacher salaries in 2018 and smaller bumps in subsequent years.

## Teachers lost wage ground to nearby states

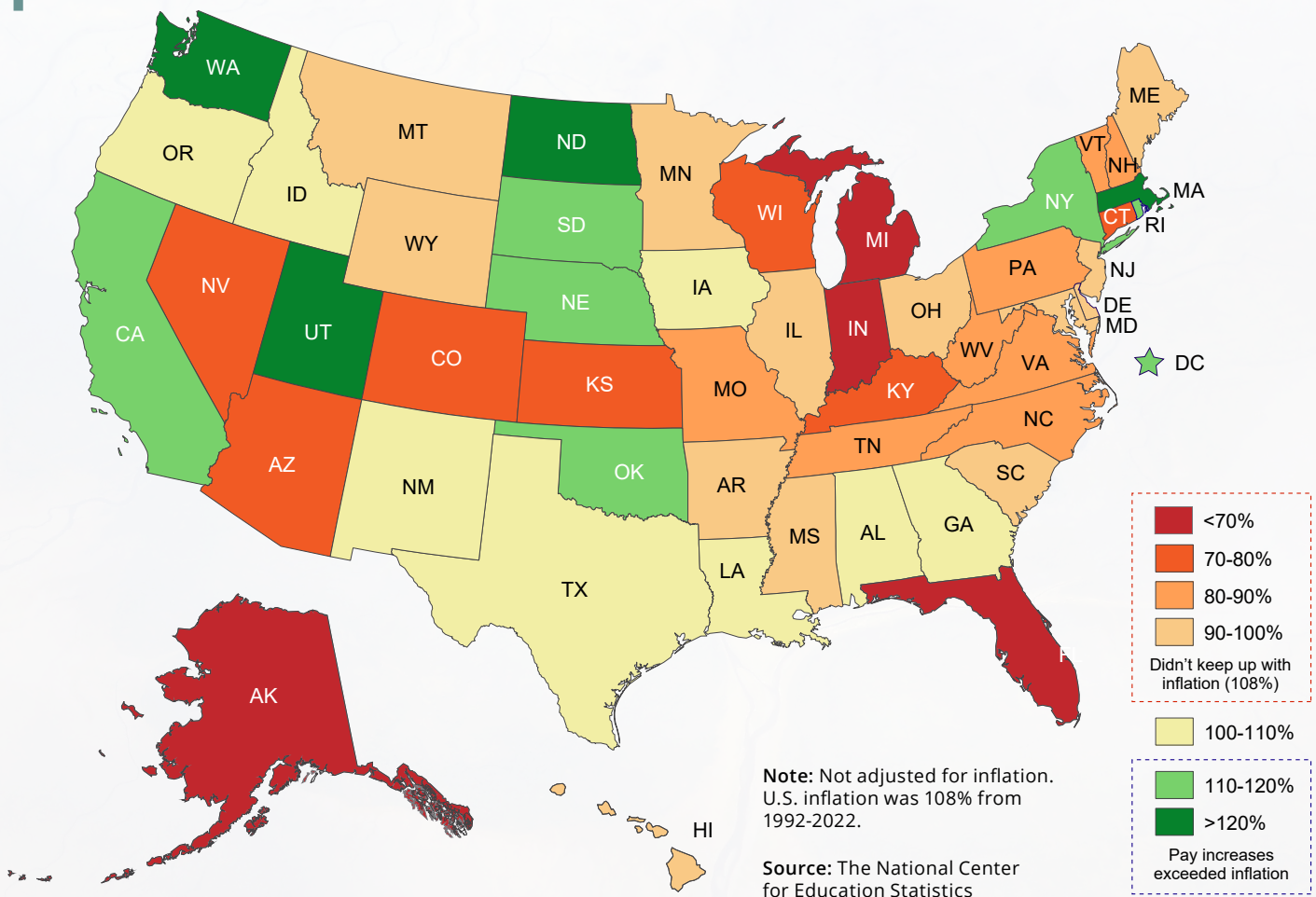


Source: The National Center for Education Statistics

## Inflation-adjusted pay has fallen

Inflation has also taken its toll, and inflation-adjusting salaries over the last few decades shows teachers in about half of all states, including Alaska, have lost ground.

## Growth in teachers' wages by state from 1992 to 2022



National inflation over the last three decades was 108 percent, and as the map on the previous page shows, all of the states in orange and red fell below inflation for their increases in average teacher pay. Alaska is one of four states that increased teachers' wages by less than 70 percent over those 30 years.

Adjusting wages for inflation over the last *two* decades (based on Alaska's urban consumer price index) shows real wages grew 1 percent for all workers in Alaska and nearly 5 percent for those with bachelor's degrees who were not teachers. (See the chart on the right.) Teachers' average inflation-adjusted wages fell more than 4 percent over those 20 years.

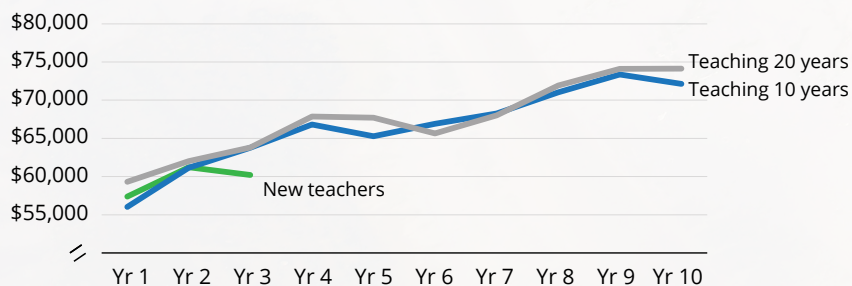
## Newer teachers earn less over the course of their careers

The difference is more pronounced for newer teachers. Those who began teaching in the 2020s, and even in the 2010s, started their careers earning less than their counterparts who started teaching in the early 2000s.

New teachers — for this article, those who began in fiscal year 2020 — started at least 3 percent lower than those in the past, and that pay gap has expanded over time, leaving those just entering the profession falling further behind their more experienced counterparts. (See the graph below.)

At the 10-year mark, educators who began in fiscal year 2012 were about \$2,000 per year behind those who started in 2000 at their 10-year mark. To match their predecessors' wages by the time they reach 20 years of service, the 2012 starters would need more than an 18 percent pay increase, which

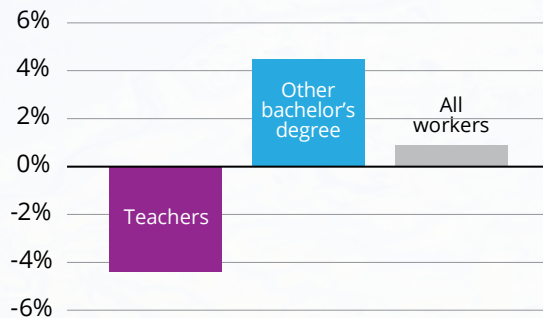
## Wage growth for new teachers, predecessors



Note: Wages inflation-adjusted to 2022 dollars.

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

## Adjusted wages for teachers declined from 2002 to 2022



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

Educators who began in 2012 are about \$2,000 a year behind those who started 10 years earlier.

would be counter to the wage trend of their predecessors' second decade.

## Teachers leaving faster than they can be replaced

In the 2000s, about 8,000 people worked as teachers each year in Alaska, peaking at 8,232 in 2002. That level held for a decade but since 2013, the number has steadily decreased. By 2022, the teacher count was down 16 percent from 2002, to 6,916.

Teaching has always seen a lot of churn. At the peak in 2006, for example, 1,508 people taught who didn't the following year. Offsetting most of that loss, 1,248 *started* teaching that year. But while the number of Alaska teachers leaving each year has decreased, even fewer have entered the occupation each year.

Those who stop teaching have also become more likely to leave

education altogether. In 2017, over 20 percent who quit teaching took another education-related job. In 2022, it was only about 15 percent.

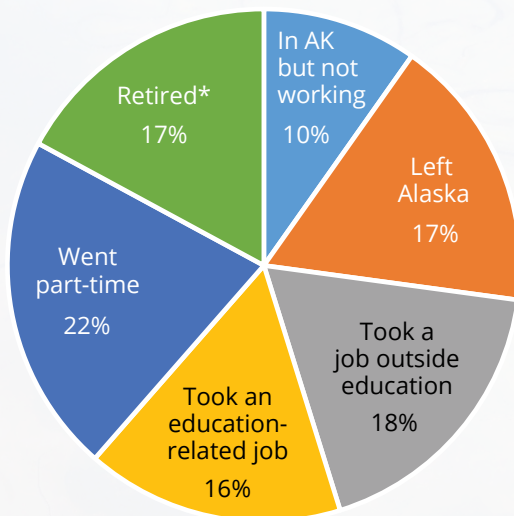
As the pie chart below shows, a large group who stopped teaching last year left Alaska, and some likely left to teach elsewhere. These former teachers were not Alaska residents as of 2022 and were no longer earning a regular paycheck in Alaska.

## More retention and fewer younger teachers

Since 2012, the percentage of all teachers who were in their first year has gradually fallen. Over that period, the share with more than 10 years of experience has grown.

Alaska teacher retention has improved in recent years. In 2016, over 40 percent of the teachers who started that year were already gone the next. In 2021, about 75 percent of the new teachers taught

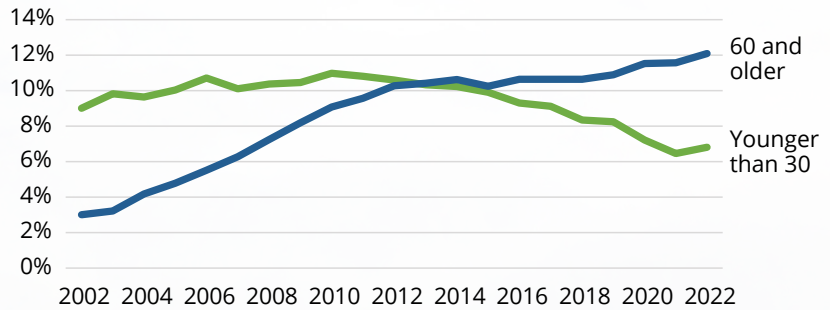
## Where did the Alaska teachers who quit teaching in 2022 go?



**Source:** Retired means at least 58 years old and not teaching. Residents not working did not show up in wage records, but could be self-employed.

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

## Fewer young teachers, more near retirement



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

again the following year. That time frame saw less hiring and less movement in general, though — partly because of the pandemic — which would increase retention regardless of other factors.

## A unique retirement system

Alaska's retirement system for new public teachers is unique among states, and Alaska is the only state that no longer offers new teachers some type of defined benefit retirement system.

Since 2006, new Alaska teachers have been automatically entered into a defined contribution retirement plan. Upon retirement, they have an investment account to manage and use how they want. While this offers the most flexibility for their accumulated savings, it puts all the investment risk on the employee. The money can also run out during retirement.

Under a defined benefit plan, the employee gets a guaranteed monthly check for life and often some support for a surviving spouse. This shifts most of the actuarial and investment risk to the employer.

Most states offer teachers only a defined benefit plan while a few offer a hybrid or a choice between the two systems. Offering only a defined contribution retirement plan can affect retention as well as recruitment. A defined contribution plan like Alaska's gives teachers the flexibility to take out all of what they and their employers have contributed after vesting in just five years.

Public employees in Alaska and 14 other states also opted out of Social Security in favor of their own retirement systems. Not paying into Social Security adds another layer to Alaska's lack of a defined

benefit plan, making Alaska the only state that doesn't offer at least some low-risk guaranteed retirement to its newer teachers.

## The nationwide challenge in recruiting and keeping teachers

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Looking at how teaching in Alaska has changed over the decades and how we compare to other states can shed light on Alaska's relative strengths and weaknesses. Difficulty recruiting new teachers is a national phenomenon, one that has led some states to relax the requirements to lead a classroom.

Compounding the staffing challenge in Alaska is that nearly an eighth of teachers are older than 60, and the number of teachers younger than 30 is the lowest in more than 20 years, as the graph on the previous page shows.

With teachers in such demand everywhere and so many near retirement, an additional option for Alaska is to recruit from the state's large supply of former teachers: more than 2,600 people have taught in the past 10 years, are younger than 58, and are still working in Alaska but in a different profession.

Multiple national sources have looked at factors that might lead teachers to leave the profession or dissuade students from choosing it as a career. They show that many challenges teachers report aren't unique to Alaska.

The research firm Rand Corporation, for example, found complaints about lower morale and well-being during the pandemic, racial discrimination, and poor working conditions.

Rand also estimated teacher burnout at almost 60 percent, which was consistent across the three years they conducted the survey (2021, 2022, and 2023). The causes listed were managing student behavior, taking on extra work because of staff shortages, and feeling like goals and expectations at their schools are unattainable.

The EdWeek Research Center found that teacher satisfaction had fallen from a high of 62 percent in 2008 to just 20 percent in 2023. The share who said they were very likely or fairly likely to leave the occupation also went up considerably.

In 2022, Gallup found that K-12 workers had the highest job burnout rate in the U.S. — this poll estimated it at 44 percent — and the gap from other professions had increased.

Other reported issues included a lack of administrative support, new unfunded mandates, less support staff, constantly changing education policies, lack of respect, health and safety concerns, political attacks, too-large classrooms, inadequate planning time, and the fact that the pandemic exacerbated all of these problems.

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# Worker shortage raises retention stakes

## Occupations' turnover rates can shed light on the issue

By DAN ROBINSON

The mismatch between the numbers of job seekers and open positions has made retaining good employees both more important and harder in recent years. Recruiting people takes more time and energy, and employees have the leverage to ask for more, knowing that if their current employer doesn't offer what they want, a new one probably will.

To help identify what makes people likely to stick with a certain type of work, although not necessarily for the same employer, we estimated annual turnover percentages for select Alaska occupations in 2022 and ranked them from high to low, as shown on the next page. (See the sidebar on page 12 for methods.)

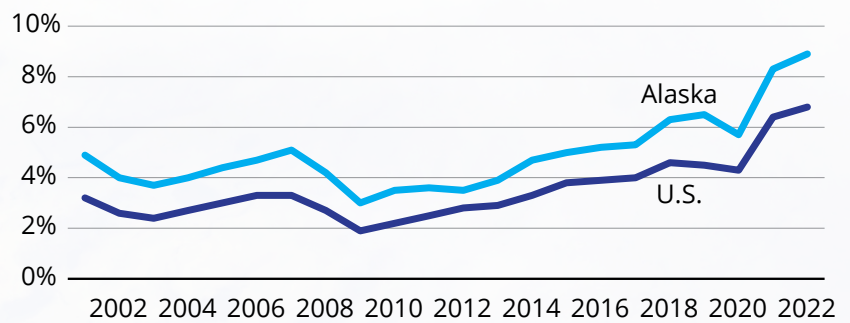
Wages clearly matter — the higher an occupation's wage, the lower its turnover tends to be — but they're not the only thing that matters. Some occupations have higher-than-expected turnover given their relatively high wages, and some have less turnover than we'd expect with their lower wages.

Another twist is that while some workers leave a job because they want to do something different, some want to keep doing the same thing but for someone else. The chart doesn't capture those movements, but we'll talk more about them below. National surveys and reports confirm that wages are also a big part of deciding whether to stay with an employer, but so are factors like a healthy work culture, opportunities for growth, and a clear and compelling sense of purpose.

### Job openings near all-time highs

Job openings, as measured by the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey, reached their highest levels ever measured for both the U.S. and Alaska in the years after COVID-19 hit.

### Job opening rates jumped in 2021 and 2022



Source: U.S. Bureau of Labor Statistics, Job Openings and Turnover Survey

In the early 2000s, job openings for the country ranged from 3 million to 5 million, and for Alaska, they hovered between 10,000 and 15,000. (To count as an opening, an employer must be recruiting externally for work that a suitable candidate could begin doing right away.)

Job openings have since more than doubled for the U.S., reaching 11.4 million in mid-2022 before coming back down slightly. Alaska job openings followed a similar path, hitting 40,000 in the summer of 2022 before falling marginally but remaining far above historical levels.

The graph above shows that job opening rates for the U.S. and Alaska stayed roughly parallel over the last two decades, with Alaska's rates consistently running one to two percentage points higher.

### The pandemic isn't the only reason

In the U.S. as well as Alaska (and nearly all states), job openings had started to rise well before the pandemic. Demographics had already begun to create labor shortages because the large baby boom generation had started aging out of their prime working years in the early 2010s as fewer people aged into their working years to replace them. Demographers had long seen that coming, and labor economists had anticipated it would create a workforce challenge. The

# Yearly turnover rates and wages by occupation in Alaska, 2022

Turnover higher than expected, given wages

Turnover lower than expected, given wages

Occupation	Annual turnover rate	Average hourly wage
Cooks, Fast Food	84%	\$15.75
Drywall and Ceiling Tile Installers	82%	\$31.04
Landscaping and Groundskeeping Workers	71%	\$21.04
Highway Maintenance Workers	67%	\$27.94
Laborers/Freight, Stock, Matl Movers, Hand	66%	\$22.14
Dishwashers	65%	\$13.75
Floral Designers	63%	\$21.85
Cooks, Short Order	61%	\$17.35
Fast Food and Counter Workers	61%	\$14.62
Food Preparation Workers	55%	\$16.28
Cooks, Restaurant	54%	\$18.32
Retail Salespersons	51%	\$18.32
Child Care Workers	51%	\$15.93
Cashiers	51%	\$15.92
Radio, Cellular, Tower Equip Install and Repair	50%	\$34.12
Waiters and Waitresses	48%	\$13.11
Construction Laborers	47%	\$25.61
Customer Service Representatives	46%	\$20.92
Janitors/Cleaners, Exc Maids/Housekeepers	45%	\$17.69
Home Health Aides	43%	\$17.58
Bartenders	41%	\$13.67
Tellers	41%	\$19.03
Carpenters	40%	\$34.65
Emergency Medical Technicians	37%	\$25.52
Bus Drivers, School	37%	\$24.57
Maintenance and Repair Workers, General	36%	\$25.53
Bicycle Repairers	36%	\$15.51
Sailors and Marine Oilers	36%	\$30.19
Heavy and Tractor-Trailer Truck Drivers	35%	\$28.61
Butchers and Meat Cutters	35%	\$23.17
Heat, Air Cond, Refrig Mechanics and Installers	34%	\$34.71
Public Relations Specialists	33%	\$33.09
Water/Wastewater Treatment Plant/Sys Opers	32%	\$32.90
Dental Assistants	32%	\$25.21
Massage Therapists	30%	\$50.01
Child, Family, and School Social Workers	30%	\$30.46
Dentists, General	28%	\$83.77
Police and Sheriff Patrol Officers	27%	\$41.21
Technical Writers	27%	\$32.75

Occupation	Annual turnover rate	Average hourly wage
Animal Control Workers	27%	\$26.14
Operating Engineers/Other Const Equip Opers	26%	\$33.14
Clinical and Counseling Psychologists	25%	\$48.02
Surveyors	25%	\$40.58
Graphic Designers	25%	\$25.15
Aircraft Mechanics and Service Technicians	23%	\$37.12
Optometrists	23%	\$86.77
Petroleum Engineers	23%	\$71.91
Middle School Teachers, Except Special Ed	22%	NA
Electricians	22%	\$38.78
Chiropractors	22%	\$56.74
Accountants and Auditors	21%	\$39.34
Correctional Officers and Jailers	21%	\$32.66
Psychiatrists	21%	\$94.76
Dietitians and Nutritionists	21%	\$36.99
Bus Drivers, Transit and Intercity	20%	\$27.61
Machinists	20%	\$31.54
Occupational Therapists	20%	\$48.46
Computer Network Support Specialists	20%	\$42.61
Registered Nurses	19%	\$49.67
Sheet Metal Workers	19%	\$41.32
Network/ Computer Systems Administrators	19%	\$43.08
Derrick Operators, Oil and Gas	18%	\$35.68
Elementary School Teachers, Exc Special Ed	18%	NA
Secondary School Teachers, Exc Special Ed	18%	NA
Database Administrators	18%	\$44.25
Dental Hygienists	17%	\$54.70
Physical Therapists	17%	\$50.23
Environmental Engineers	16%	\$51.31
Physician Assistants	16%	\$69.45
Speech-Language Pathologists	16%	\$43.56
Explosives Wkrs, Ordnance Handling, Blasters	15%	\$33.06
Judicial Law Clerks	15%	\$26.06
Computer Programmers	14%	\$46.85
Lawyers	14%	\$57.98
Loan Officers	14%	\$36.43
Pharmacists	12%	\$70.39
Civil Engineers	12%	\$52.39
Architectural and Civil Drafters	9%	\$35.48
Architects, Except Landscape and Naval	8%	\$48.93

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

pandemic accelerated the imbalance by prompting many older workers to retire earlier than they otherwise would have.

Because the increase in job openings was at first driven by normal retirements and then exacerbated by pandemic-driven early retirements, it's almost certain to persist as these powerful demographic forces continue to play out.

## More open jobs than seekers

It has been typical historically to have more

unemployed people looking for work than job openings, as the graph on the next page shows. In the early 2000s, Alaska and the U.S. both had between 1.5 and 2.5 unemployed job seekers for every open job.

Nationally, the ratio soared during the Great Recession of 2007-2009, peaking at 5.8. Job satisfaction also hit record lows during that period, as measured by a survey that a national entity called The Conference Board has conducted since 1987.

The number of unemployed people per open job also rose in Alaska during those years, but not by much, as the national recession's effects on Alaska were

minor and brief.

By 2022, the usual ratio had flipped and Alaska and the U.S. both averaged about two open positions for every job seeker, numbers that haven't changed significantly so far in 2023.

## Turnover patterns and outliers

Looking in detail at the turnover data by occupation shows that occupations with high turnover typically had low hourly wages, with a few exceptions highlighted in orange. Occupations highlighted in green were also outliers; they had lower turnover than one would expect if wages were the only thing that mattered.

The highest annual turnover rate in 2022 was 84 percent for fast-food cooks. That means if 100 were necessary to staff the state's fast food restaurants, 84 left the occupation over the year and needed to be replaced. The lowest turnover was 8 percent for architects.

## Physically demanding jobs tended to have higher turnover

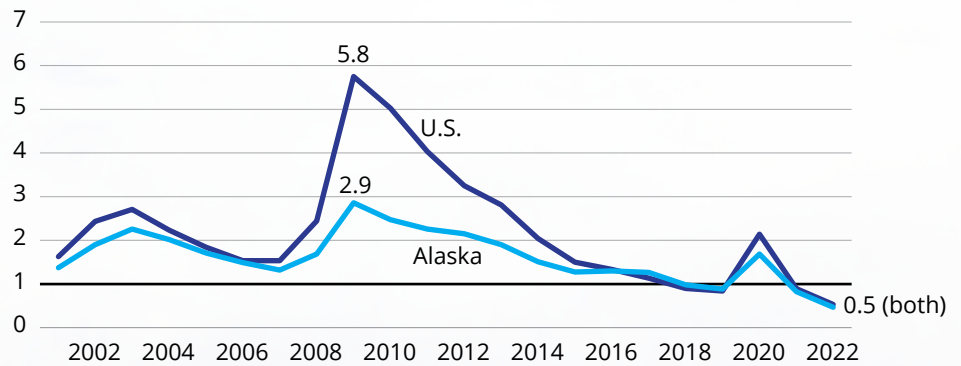
Four of the occupations highlighted for high turnover despite their high wages required physically difficult work. For example, drywall and ceiling tile installers handle and move materials, climb, lift, balance, and stoop. Similar physical requirements characterize the jobs of highway maintenance workers; radio, cellular, and tower equipment installers and repairers; and carpenters.

When the work is outside, as it is for several of those occupations, it can mean harsh weather on top of the physically demanding tasks, especially in Alaska.

## Dentists' rates unusually high

Dentists' average hourly wage was one of the highest reported, but their annual turnover rate of 28 percent was higher than average. (For all occupations with at

## Unemployed people per job hit a low in 2022



Source: U.S. Bureau of Labor Statistics

least 100 workers in 2022, the average rate was 33 percent.) While our data can't pinpoint the reasons for these rates, several factors are probably relevant.

Multiple national studies in the field over the years have found high levels of job stress and burnout. Another likely contributor is the fact that practicing dentistry doesn't differ much between states and dentists are in high demand, enabling them to move around to find their preferred combination of wages, working conditions, and quality of life. (When someone leaves Alaska, they are counted as having left the occupation whether or not they continue working in that occupation in another state.)

Finally, Alaska doesn't have a dental school. Alaskan dentists have to leave the state at least for their training years, which might weaken their roots here, and dentists who come from elsewhere would have notably less connection to Alaska at the outset of their practice in the state.

## Jobs where creating appears key

Annual turnover for bartenders was less than half that of fast-food cooks despite the low average hourly wages. Tips are one likely reason. The total wages for bartenders would be significantly higher if tips could be captured accurately.

Another reason is the work is particularly appealing to some. In addition to the social aspect of the job, bartenders often seek special mixology training and view their work as a craft.

This type of job and the identity that can come with it might be more satisfying to many people than the tasks required in other similar-wage jobs, many of

which require repetitive and physically difficult or dangerous tasks.

Low turnover among architectural drafters probably also says something about the satisfaction of creating or producing and the working conditions of that job. And given that architects are the only occupation with less turnover than architectural drafters, it seems there's something satisfying about designing buildings.

## Unusual work with lower turnover

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A few of the occupations highlighted in green hint at their unique character or the passion they inspire in certain people. Working in a bicycle shop as a bike repairer, for example, has one of the lowest hourly wages shown but turnover just above average.

While dangerous conditions can lead to higher turnover, explosives workers have one of the lowest turnover rates in the table, suggesting some people are especially interested in that job and those who take it, knowing full well what's involved, are more likely to stick with it even though the wages aren't high.

## Some have disincentives to quit

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Disincentives to leave a position and jobs with a defined term appear to factor into some occupations' lower rates.

Judicial law clerks are often hired for a single year or sometimes two. When their clerkships end, they tend to move on to higher-paid legal positions. Despite the relatively low wages, there are disincentives to leave during that one- or two-year period because it's a well-understood term of work, a reference from the judge they clerked for is valuable to young lawyers, and leaving in the middle of a clerkship could raise eyebrows among future legal employers.

There's some similarity to school teachers in those respects.

## Child care is especially relevant

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One occupation of special interest in recent years is child care workers. Alaska has a widely acknowledged acute shortage of child care workers and facilities. That makes it harder for parents of young children to work, which exacerbates the worker shortage.

At 51 percent, child care turnover is well above

## About the data

The data we used to produce estimated annual turnover rates came from Alaska's Occupational Database, which is a longitudinal data set that includes quarterly employment, wages, and occupational codes for nearly all Alaska employers. State unemployment insurance laws mandate that employers provide that information, which makes it robust and comprehensive.

To calculate annual turnover, we identified the number of people who worked in an occupation in 2022 and then divided it by the number who worked in that occupation during the quarter with the highest worker count.

For example, if 1,000 people worked as an accountant at some point in 2022, and the highest number who worked in any quarter was 800, we'd divide 1,000 by 800 to get 1.25, which would equate to a turnover rate of 25 percent.

We used the quarter with the highest worker count as an approximation of what full employment would be for that occupation in that year, given that Alaska's economy is unusually seasonal. That helps separate growth or seasonal high points from turnover, as not all hires qualify as turnover — only the hiring that's required because someone left the occupation.

Occupations' tasks are taken from the U.S. Department of Labor's O\*NET database.

average. The average hourly wage of \$15.93 was about half the overall average of \$31.79.

Those numbers are bleak, but the data at least suggest the appeal of taking care of children. Nine out of the 12 occupations with higher turnover than child care workers pay more. In other words, those other workers make more money — nearly twice as much in a few cases — but still have higher turnover rates than child care workers.

## Some dot-connecting is required

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While some influences on these turnover rates are clear, the precise reasons certain occupations have

high turnover can't be teased out because individual workers have their own circumstances, opportunities, and preferences. And sometimes it's the boss, not the work. Different companies' turnover rates for the same occupation can vary widely, so what motivates a worker to stay or leave is partly tied to the specifics of the employer rather than the work itself.

Employer-specific turnover for fast-food cooks, for example, ranged from 167 percent to 0 percent among the hundred-plus Alaska fast-food restaurants that employed those workers in 2022. A preliminary analysis suggested the restaurants that paid more had lower turnover, but other hard-to-measure factors undoubtedly played a role.

Higher wages tend to mean lower turnover, but there are exceptions. And sometimes, it's the employer.

## What recent national studies offer

National surveys and retention studies have been plentiful recently, given the difficulty employers now have filling open positions. Many of these sources identify raising wages as the most obvious and effective thing employers can do to improve retention, but some cite other factors as critical.

Massachusetts Institute of Technology analyzed millions of online profiles to identify employees who had recently left their employer for any reason and found toxic culture was the top reason workers quit.<sup>1</sup> Some of the attributes of a toxic culture include disrespectful treatment and unethical behavior.

MIT's analysis found that a toxic work culture was one of the four factors that were at least three times more likely to contribute to attrition than compensation. The other three were job insecurity, failure to distinguish between high performers and low performers when it came to recognition and rewards, and high levels of innovation.

Connecting high innovation with high turnover may seem surprising, and it was to the study's authors, but they found that with high levels of innovation came faster-paced work, longer hours, and more stress. Workers who rated their employers high on innovation were also likely to rate them low on work-life balance and a manageable workload.

A 2023 LinkedIn report found that 93 percent of

<sup>1</sup>Toxic Culture is Driving the Great Resignation, MIT Sloan Management Review, January 11, 2022

employers were concerned about employee retention and that the top five factors people considered when weighing a new job were:

1. Pay and benefits
2. Flexibility to work when and where they want
3. Challenging and impactful work
4. Opportunities for career growth within the organization
5. Opportunities to learn and develop new skills

The report found that younger workers placed especially high value on opportunities to learn and build skills and that workers over 50 placed more value than younger workers on challenging and impactful work.<sup>2</sup>

Harvard Business Review has been surveying employees for 20 years across a wide range of industries and job types, asking what they want and what contributes to their workplace satisfaction. They reported in 2021<sup>3</sup> that the following six measures had the greatest influence:

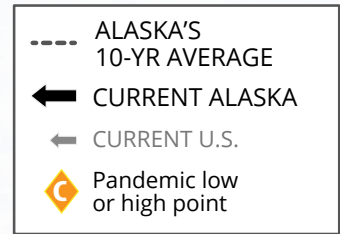
1. Incentivizing loyalty by updating compensation packages, but also doing things like offering one-time bonuses and helping pay down student loans.
2. Providing growth opportunities, which are especially important to high performers.
3. Making it clear what the organization is trying to achieve, i.e., having and communicating a purpose beyond just profit or a paycheck.
4. Prioritizing culture and connection, which solidifies workers' connection to the organization and makes them more productive.
5. Investing in employees and their families by doing things like helping with child care and providing more paid time off.
6. Embracing flexibility in work environments in terms of place, time, job descriptions, career paths, and qualifications for positions.

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<sup>2</sup>LinkedIn, 2023 Workplace Learning Report

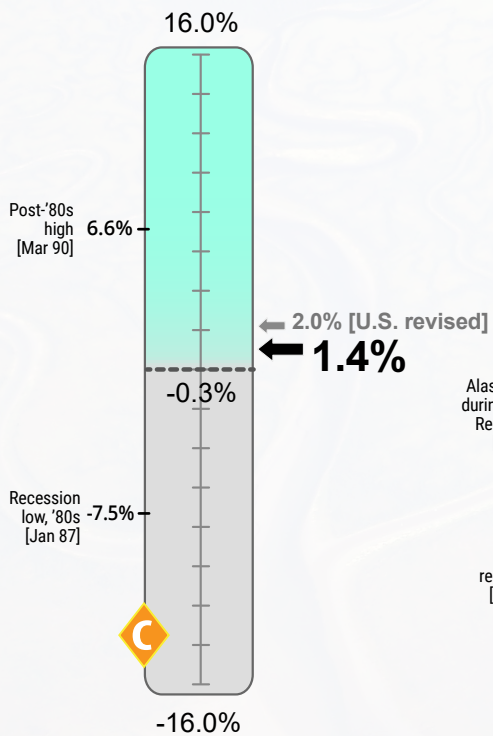
<sup>3</sup>Harvard Business Review, 6 Strategies to Boost Retention Through the Great Resignation

# Gauging The Economy



## Job Growth

August 2023  
Over-the-year percent change



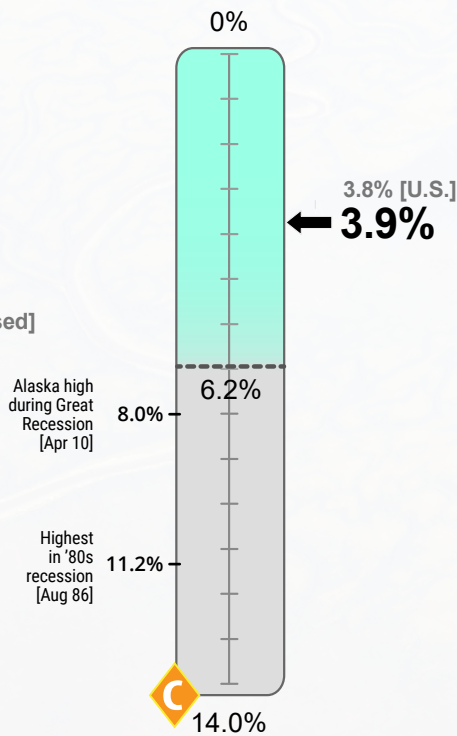
Alaska's August employment was 1.4 percent above last August but still 2.3 percent below August 2019, an important reference point because that was a pre-pandemic employment level.

National employment, which was up 2.0 percent from August 2022, was 3.4 percent above its 2019 level.

In other words, while the U.S. economy has fully recovered from COVID-related job losses, Alaska still has a ways to go.

## Unemployment Rate

August 2023  
Seasonally adjusted

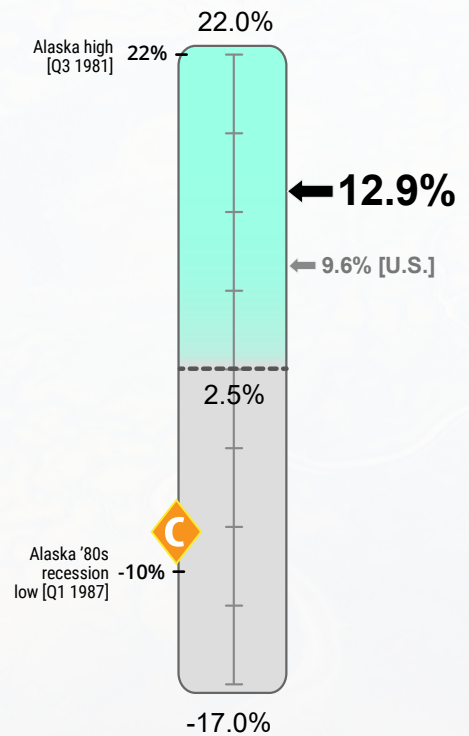


Alaska's unemployment rate has been less useful as an economic measure during the pandemic and its aftermath because of data collection difficulties.

It's clear, however, that unemployment rates in Alaska and the U.S. are historically low and that the shortage of workers is a bigger economic challenge than unemployment.

## Wage Growth

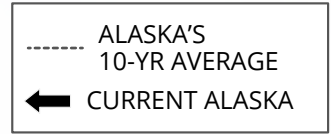
1st Quarter 2023  
Over-the-year percent change



After falling hard during the pandemic, total wages paid by Alaska employers have bounced back and show strong growth.

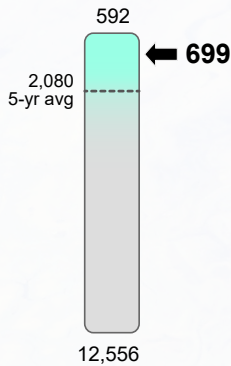
Wages were up 12.9 percent from year-ago levels in the first quarter of 2023 and 16.6 percent above first quarter 2019.

# Gauging The Economy



## Initial Claims

Unemployment, week ending Sep. 9, 2023\*

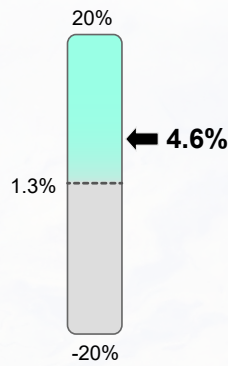


Unemployment claims jumped during the pandemic as many businesses shut down or limited services. Pandemic-driven claims loads have fallen, and new claims for benefits are well below their long-term average.

\*Four-week moving average ending with specified week

## GDP Growth

1st Quarter 2023  
Over-the-year percent change\*

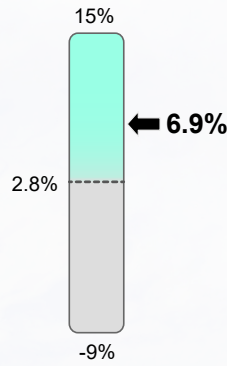


Gross domestic product is the value of the goods and services a state produces. It's an important economic measure but also a volatile one for Alaska because commodity prices influence the numbers so much — especially oil prices.

\*In current dollars

## Personal Income Growth

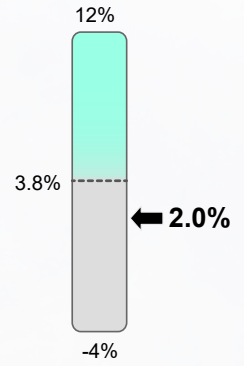
1st Quarter 2023  
Over-the-year percent change



Personal income consists of three main parts: 1) wages and salaries; 2) dividends, interest, and rents; and 3) transfer payments (payments from governments to individuals).

## Change in Home Prices

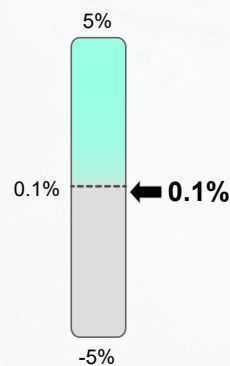
Single-family, percent change from prior year, Q2 2023\*



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

## Population Growth

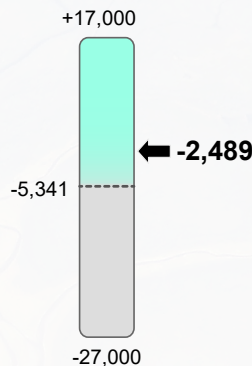
2021 to 2022



After four years of decline, Alaska's population grew slightly in 2021 and 2022, as natural increase (births minus deaths) slightly exceeded losses from migration.

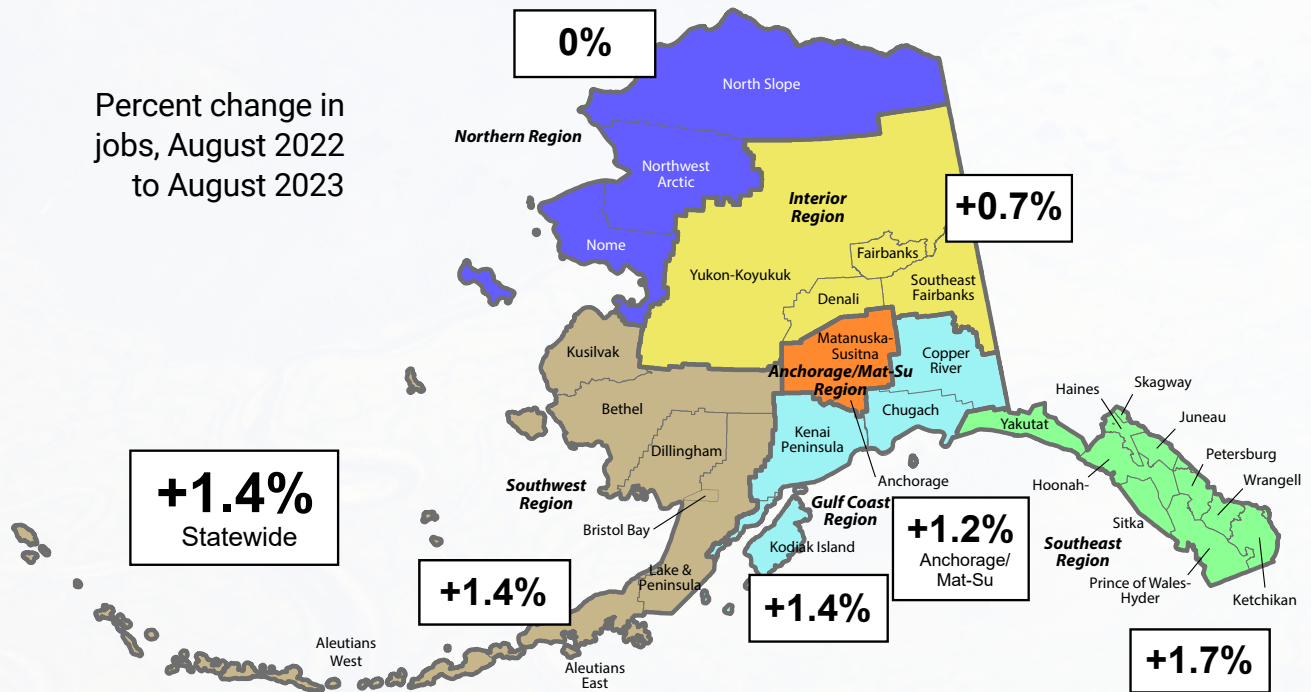
## Net Migration

2021 to 2022



The state had net migration losses for the tenth consecutive year in 2022, although the losses have become smaller. Net migration is the number who moved to Alaska minus the number who left.

# Employment by Region



## Unemployment Rates

### Seasonally adjusted

	Prelim.		Revised
	8/23	7/23	8/22
United States	3.8	3.5	3.7
Alaska	3.9	3.8	3.6

### Not seasonally adjusted

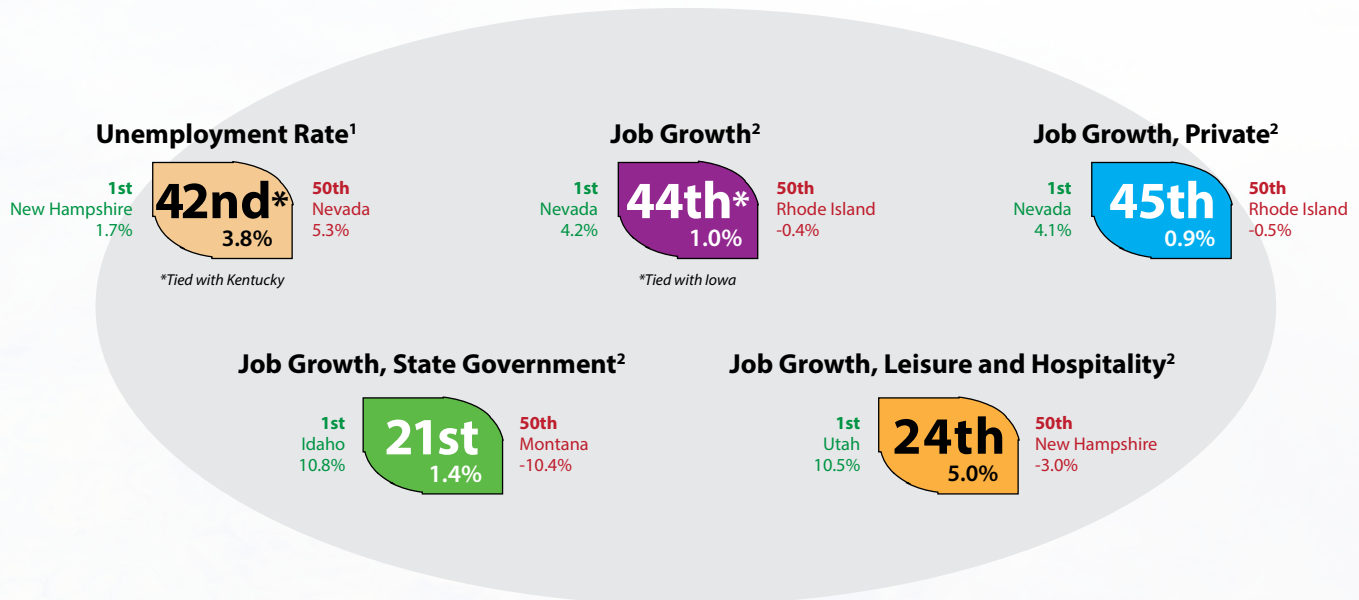
	Prelim.		Revised
	8/23	7/23	8/22
United States	3.9	3.8	3.8
Alaska	3.7	3.8	2.9

### Regional, not seasonally adjusted

	Prelim.			Revised				Prelim.			Revised			
	8/23	7/23	8/22	8/23	7/23	8/22		8/23	7/23	8/22	8/23	7/23	8/22	
<b>Interior Region</b>	<b>3.6</b>	<b>3.7</b>	<b>2.8</b>	<b>3.6</b>	<b>3.7</b>	<b>2.8</b>	<b>Southwest Region</b>	<b>6.9</b>	<b>6.7</b>	<b>5.1</b>	<b>3.0</b>	<b>3.2</b>	<b>2.4</b>	
Denali Borough	2.6	2.6	2.2	2.6	2.6	2.2	Aleutians East Borough	1.7	1.4	1.2	Haines Borough	4.2	4.6	3.6
Fairbanks N Star Borough	3.3	3.4	2.6	3.3	3.4	2.6	Aleutians West Census Area	2.2	2.2	1.8	Hoonah-Angoon Census Area	2.9	3.3	2.3
Southeast Fairbanks Census Area	5.2	5.3	3.6	5.2	5.3	3.6	Bethel Census Area	10.0	10.5	7.6	Juneau, City and Borough	2.7	2.7	2.0
Yukon-Koyukuk Census Area	8.6	8.1	5.5	8.6	8.1	5.5	Bristol Bay Borough	2.4	1.0	2.2	Ketchikan Gateway Borough	2.9	3.0	2.4
<b>Northern Region</b>	<b>7.3</b>	<b>7.3</b>	<b>5.8</b>	<b>7.3</b>	<b>7.3</b>	<b>5.8</b>	Dillingham Census Area	6.2	6.0	3.8	Petersburg Borough	4.0	3.8	3.9
Nome Census Area	7.8	7.6	5.7	7.8	7.6	5.7	Kusilvak Census Area	16.6	18.8	11.9	Prince of Wales-Hyder Census Area	6.3	6.5	4.3
North Slope Borough	5.0	5.1	4.2	5.0	5.1	4.2	Lake and Peninsula Borough	4.7	4.5	3.2	Juneau, City and Borough	2.4	2.5	1.7
Northwest Arctic Borough	8.9	9.2	7.5	8.9	9.2	7.5	<b>Gulf Coast Region</b>	<b>3.6</b>	<b>3.7</b>	<b>2.8</b>	Sitka, City and Borough	2.1	2.3	2.2
<b>Anchorage/Mat-Su Region</b>	<b>3.4</b>	<b>3.5</b>	<b>2.8</b>	<b>3.4</b>	<b>3.5</b>	<b>2.8</b>	Kenai Peninsula Borough	3.8	3.9	2.9	Skagway, Municipality	2.1	2.3	2.2
Anchorage, Municipality	3.2	3.2	2.6	3.2	3.2	2.6	Kodiak Island Borough	3.0	3.0	2.5	Wrangell, City and Borough	4.0	4.8	3.4
Mat-Su Borough	4.1	4.4	3.4	4.1	4.4	3.4	Chugach Census Area	2.5	2.6	1.6	Yakutat, City and Borough	5.4	5.2	3.4
							Copper River Census Area	4.9	4.5	4.5				



# How Alaska Ranks



Note: State government employment includes the University of Alaska.

<sup>1</sup>July seasonally adjusted unemployment rates

<sup>2</sup>July 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	
<b>Urban Alaska Consumer Price Index</b> (CPI-U, base yr 1982=100)	257.938	1st half 2023	252.271	+2.2%
<b>Commodity prices</b>				
Crude oil, Alaska North Slope, * per barrel	\$87.80	Aug 2023	\$102.00	-14.7%
Natural gas, Henry Hub, per thousand cubic feet (mcf)	\$2.65	Aug 2023	\$8.78	-69.9%
Gold, per oz. COMEX	\$1,939.60	9/21/2023	\$1,675.70	+15.7%
Silver, per oz. COMEX	\$23.69	9/21/2023	\$19.48	+21.6%
Copper, per lb. COMEX	\$3.706	9/21/2023	\$3.47	+6.6%
Zinc, per lb.	\$1.14	9/22/2023	\$1.38	-17.4%
Lead, per lb.	\$1.01	9/22/2023	\$0.82	+23.2%
<b>Bankruptcies</b>				
Business	70	Q2 2023	49	+42.9%
Personal	6	Q2 2023	4	50%
Personal	64	Q2 2023	45	+42.2%
<b>Unemployment insurance claims</b>				
Initial filings	2,922	Aug 2023	3,601	-18.9%
Continued filings	13,498	Aug 2023	14,748	-8.5%
Claimant count	9,465	Aug 2023	9,691	-2.3%

\*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

# Veterans, Military Spouses and Alaska Residents

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to 2 p.m.  
Tuesday,  
Nov. 7, 2023**

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