

ALASKA'S ECONOMY



Overall employment lags behind pre-pandemic levels

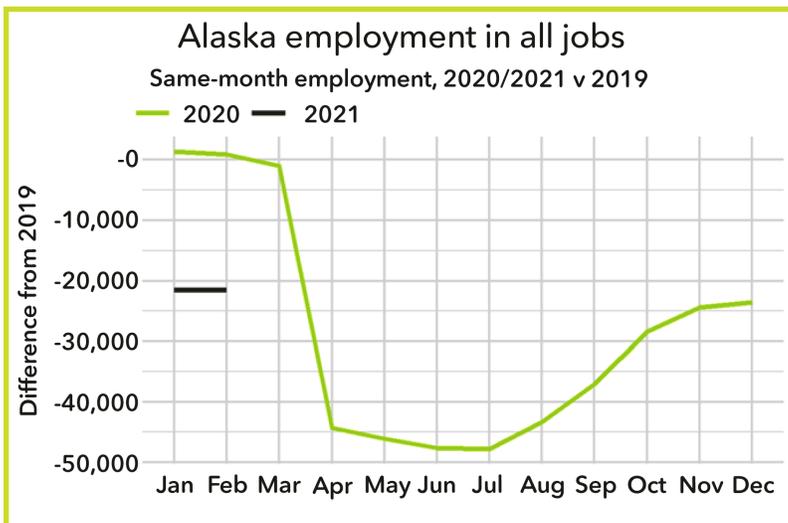
Overall Alaska employment in February (the last month of available data) remained below February 2019 employment by more than 20,000 jobs. The preliminary data from the Alaska

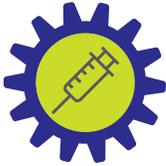
Department of Labor reflects the best estimates of current employment in the state. While the same-month employment gap decreased over last fall and winter, a significant job deficit remains. It is uncertain how much this deficit will improve over the summer when jobs boom in the construction, fishing, and tourism industries. Prospects for construction are bolstered by the governor's proposed capital budget and funding from the American Rescue Plan. The state also projects a robust salmon run this season. However, the scale of this summer's tourism is uncertain. Travel through Canada remains difficult. Cruise ships were recently granted a federal waiver to bypass Canadian ports, but the ultimate number of bookings this season remains to be seen. ▼



Leisure and hospitality industry still hit hardest

Jobs in hospitality and leisure, which includes hotels, bars, and restaurants, have been hit hard by the pandemic due to their high-contact nature. In February the gap between 2021 and 2019 hospitality jobs was nearly 7,100, accounting for roughly one-third of the jobs gap across all types of employment. Across all sectors of the economy, leisure and hospitality has seen the largest gap between 2021 and 2019 employment. ▼





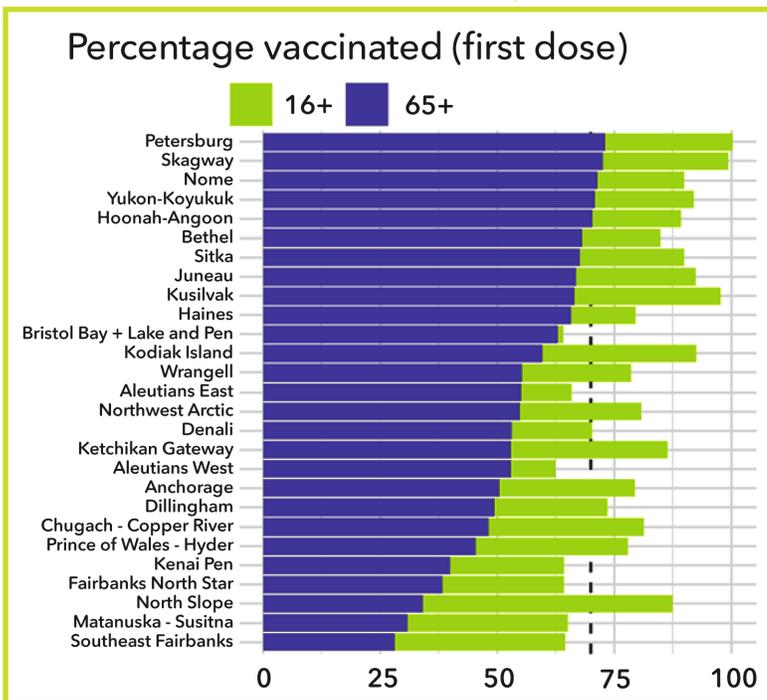
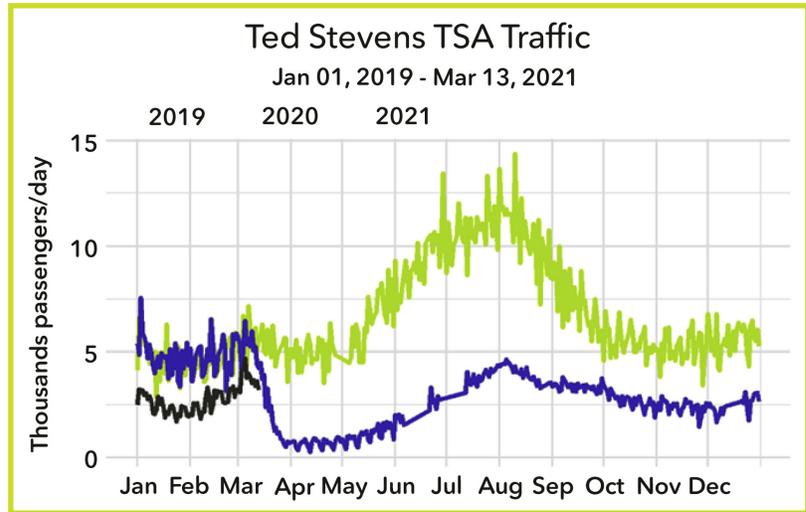
COVID-19 vaccinations administered across Alaska

A key determinant of summer economic activity will be how quickly Alaska achieves high vaccination rates. Tourists will consider factors like perceived safety and travel restrictions as they make plans. As of April 16 just over 50% of eligible Anchorage residents have gotten at least one dose of vaccine. Petersburg, Skagway, Nome and Yukon-Koyukuk boroughs have all reached 70% of eligible residents receiving their first dose, and Juneau is nearing this threshold. Fairbanks, the Kenai Peninsula, and the Mat-Su areas are seeing rates between 30 and 40%. Among more vulnerable segments of the population (those 65+) at-least-first-dose vaccination rates exceed 60% everywhere, with some boroughs seeing rates near 100%. ▼



Passenger traffic remains low at Ted Stevens International Airport

One measure of economic activity is passenger traffic through the TSA security checkpoint at Ted Stevens Airport. In a typical year, passenger traffic rises from roughly 5,000 passengers per day in May to more than 10,000 passengers per day in July and August. 2020 saw a dramatic reduction in traffic during the initial COVID-19 outbreak in the U.S. from March through May. While traffic peaked in early August, fewer than 5,000 passengers per day were traveling. From May through August 2020 there were 854,431 fewer passengers than in 2019. The prospects for a 2021 summer tourism season depend on how safe individuals feel traveling. If Alaska is perceived as a low-risk destination due to low case counts and high vaccination rates, safety-conscious travelers will be more likely to select Alaska as a destination. ▼



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Did you know

Over 70% of eligible residents in Petersburg, Skagway, Nome and Yukon-Koyukuk boroughs received their first dose of the vaccine?

Learn more in this issue of *Alaska's Economy*.



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