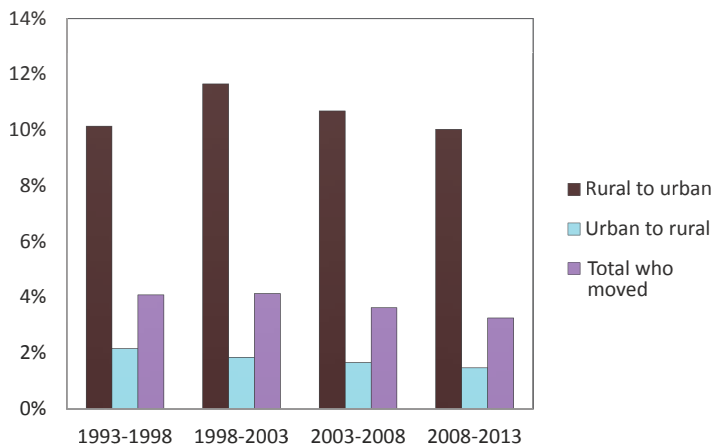


RURAL AND URBAN MIGRATION

Where people move and how it affects their employment

1 Percent Who Migrated ALASKA, 5-YEAR INCREMENTS, 1993-2013



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

By **DAVID HOWELL**

The tendency for people to move from rural to urban areas can be seen all over the world, as people move to population hubs seeking jobs, higher wages, or education. This phenomenon is not new, and in Alaska, rural areas generally recoup these population losses through higher birth rates.

Alaska's rates of migration from rural to urban areas have remained fairly stable over the past 20 years. (See Exhibit 1.)

Over five-year periods, an average of 7,700 adults move from a rural to an urban area in the state, or about 11 percent of the rural population.

'Rural' encompasses more areas than usual for this article

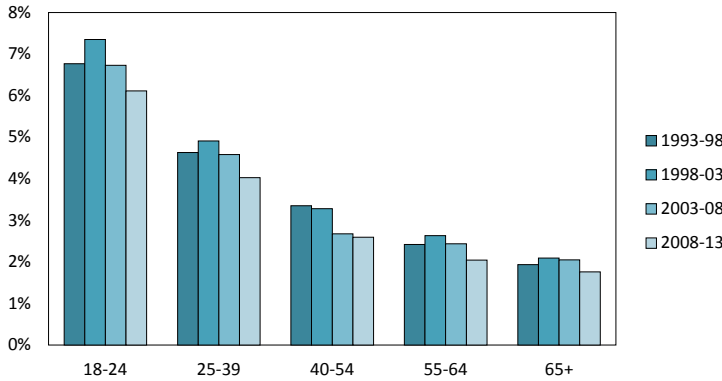
For this article, Alaska's urban areas are the five largest population centers: Anchorage, the Matanuska-Susitna Borough, Juneau, the Kenai Peninsula Borough, and the Fairbanks North Star Borough. Together, these five areas are home to around 80 percent of the state's population. Though these areas encompass many small communities as well,

most of them are well-connected to the nearby cities.

"Rural" as used here refers to any place in Alaska outside these five areas. That means communities such as Ketchikan and Sitka, which are often considered urban in other contexts, are designated as rural for this article.

2 Younger People Migrate More

PERCENT WHO MIGRATED, BY AGE GROUP



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

But migration doesn't just happen in one direction. During the same five-year periods, an average of 4,400 urban residents relocated to a rural place, or about 2 percent of Alaska's urban population. That rate has also remained stable over the past 20 years.

It's important to note this article covers only those who moved between rural and urban areas within the state. Far more people move both in and out of Alaska each year or move from an urban to urban or rural to rural location.

Age patterns similar around the United States

Like the overall migration rates within the state, migration between rural and urban areas by age has been stable over the past 20 years. Movement between urban and rural areas follows the same age pattern here as it does nationwide, with young people moving at higher rates that taper as they age. (See Exhibit 2.)

Over the four periods, the two youngest age groups averaged 60 percent of all migrants but just 44 percent of the sample. The youngest age group was by far the most likely to move. Nearly 7 percent of all 18-to-24-year-olds moved between urban and rural Alaska during each of the five-year intervals.

Those in the two oldest age groups combined made up just under 12 percent of all migrants, but represented 20 percent of the sample.

How migrating affects finding employment

Though jobs factor in to many decisions to move, there wasn't a big difference in initial employment status for the movers between urban and rural Alaska, in either direction. On average, 4 percent of people *with* jobs and 3 percent of people *without* jobs moved over each of the four observed periods.

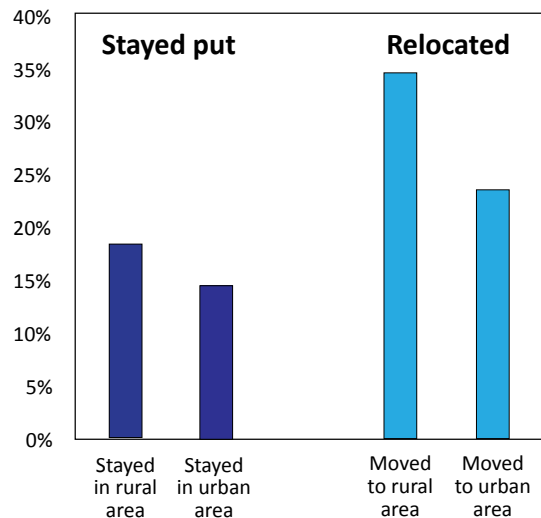
Among rural residents, 11 percent with jobs moved to an urban area while 9 percent of those without jobs moved. In urban areas, there was no difference in the percentage who moved based on employment status, at 2 percent for both.

Even though the migration of those with and without jobs is similar, migration affected the chances of finding a job for those without one, and this held true whether the move was rural-to-urban or urban-to-

3 Migrants More Likely to Find Jobs

NOT WORKING IN 2008 BUT EMPLOYED IN 2013

Percent working five years later



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

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Wages for Migrants and Those Who Didn't Move

ALASKA, 1993 TO 2013

		Stayed Urban	Stayed Rural	Urban to Rural	Rural to Urban
1993- 1998	Population	109,036	32,783	2,328	3,732
	1993 Wage	\$48,501	\$36,615	\$35,464	\$38,802
	1998 Wage	\$51,204	\$37,947	\$45,093	\$39,142
1998- 2003	Population	118,265	34,488	2,212	4,624
	1998 Wage	\$45,560	\$33,855	\$34,198	\$36,921
	2003 Wage	\$51,922	\$37,714	\$44,924	\$40,962
2003- 2008	Population	134,912	36,232	2,265	4,567
	2003 Wage	\$47,262	\$35,191	\$32,300	\$36,928
	2008 Wage	\$52,885	\$37,235	\$40,630	\$42,039
2008- 2013	Population	145,708	35,978	2,352	3,777
	2008 Wage	\$49,360	\$35,572	\$34,067	\$37,343
	2013 Wage	\$52,284	\$36,920	\$39,127	\$40,716

Note: Population and wages are only for those working in both of the years of each period examined. All wages are in 2013 dollars.

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

rural. (See Exhibit 3.)

Among those who weren't working in the initial year of each period, 35 percent who migrated were employed in the final year; for those who stayed put, it was 19 percent.

Workers who migrated were also slightly more likely to be employed in both the beginning and end of each period, at 54 percent versus 52 percent for those who didn't move. Overall, over half of the people in each age group who were younger than 55 at the start of the periods were working at both the beginning and the end.

In general, the percentage of people working in both years of each period increased with time, but particularly the two oldest.

Moving for higher wages

Just as moving can increase a person's chances of finding a job, people often move in search of better jobs and higher wages. Average wages in urban areas are higher than in rural areas and the gap is increasing — urban wages were 27 percent higher in 1993 and 38

About these numbers

For this article, we looked at wage record data and Alaska Permanent Fund Dividend applications to examine how moves relate to jobs and wages.

This article only includes people who were 18 or older and applied for a PFD in the beginning and ending years of each of four intervals (1993 to 1998, 1998 to 2003, 2003 to 2008, and 2008 to 2013). To become eligible for a PFD, a person must have lived in Alaska for the previous calendar year. Because of this requirement, many military service members and short-term workers were excluded.

For the wage analysis portion of the study, we matched all adult PFD applicants to records of workers covered by Alaska unemployment insurance. We calculated average earnings by dividing total earnings by the number of workers. This does not account for seasonality or whether a worker was full-time or part-time.

Finally, to get a better sense of real value, we inflation-adjusted all wages to 2013 dollars, based on the Bureau of Labor Statistics consumer price index for Anchorage (CPI-U).

percent higher in 2013.

Wages for the people who were identified for this article as either moving or staying put grew across the board. Somewhat surprisingly, though, the largest wage gains were for the group who left an urban area to move to a rural area. Despite that group's average wage increase of 24 percent, they continued to make less than the group who stayed in urban areas. The smallest increases were for people who stayed in rural areas.

Wages and the likelihood of moving

People's relative earnings have a mixed effect on how likely they are to migrate. Rural residents earning higher-than-average wages were slightly more likely than others to move to an urban area. The reverse is true in urban areas, where residents making lower-than-average wages are slightly more likely to move to a rural area.

Overall, workers who didn't move earned more than workers who did, but the wage difference shrunk over time. The nonmovers earned 24 percent more at the start of the five-year periods and 18 percent more by the end.

The tendency for young people to move more gets some of the credit for the bump in movers' wages, as people get their biggest wage increases while young.

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