POPULATION PROJECTIONS
2017 to 2045

New release projects Alaska will add 100,000 people by 2045

By **EDDIE HUNSINGER**

Alaska's total population has changed little over the last four years. While the state has continued to grow modestly through natural increase — births minus deaths — more people have left the state than arrived each year. This has kept the total population between 735,000 and 740,000 since 2013.

In the long term, we project the state will add about 100,000 people to its population by 2045 through a combination of natural increase partly offset by small net migration losses.

Every two years, we provide a new set of population projections, summarized here and available at http://live.laborstats.alaska.gov/pop/projections.cfm.

The projections detail Alaska's population patterns for the next few decades based on recent history for migration, birth and death rates, and age structure.

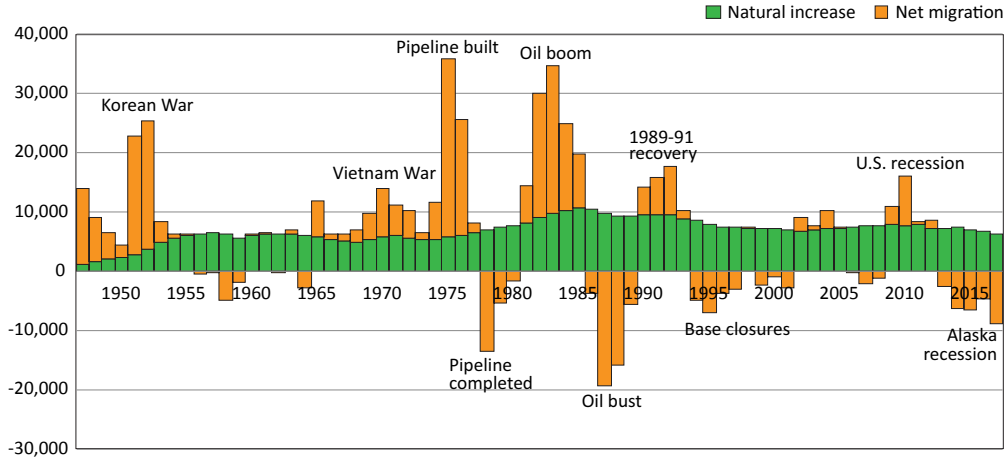
While the future is always uncertain and the projections change with each release, they offer our best and most current insights into Alaska's population trends. We also learn critical things from each release, especially about the effects of aging on the future population.

Net migration losses to continue but at slower pace

The economy in the Lower 48 is strong and Alaska is in its third year of employment losses, a combination

1 Population Patterns and Major Economic Events

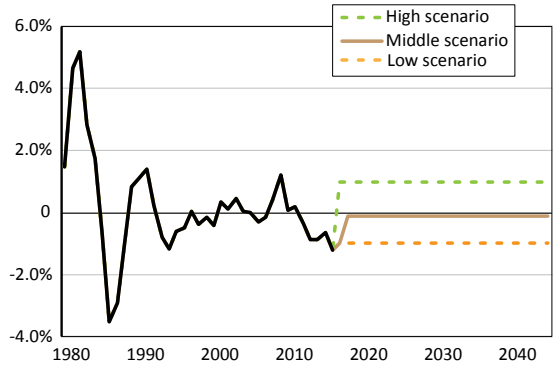
ALASKA, 1947 TO 2017



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

2 Net Migration Over Time

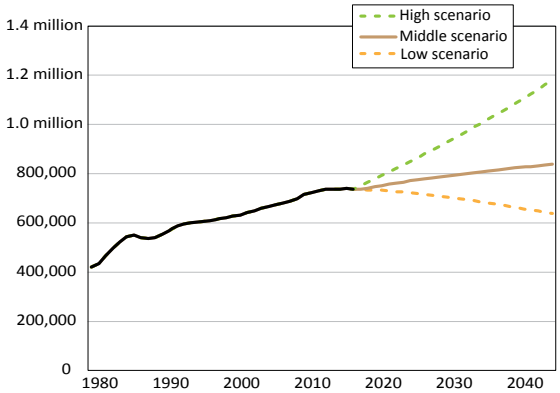
ALASKA, 1980 TO 2045



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

3 Alaska's Total Population

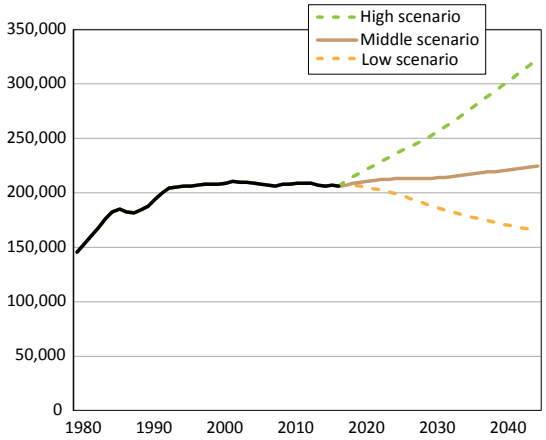
HISTORICAL AND PROJECTED, 1980 TO 2045



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

4 Young People Over Time

AGES 0 TO 19, ALASKA, 1980 TO 2045



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

that has undoubtedly contributed to several years of net migration losses, meaning more people have left the state than arrived. (See Exhibit 1.)

Recent estimates indicate the state's employment losses are ongoing, so we project another year of significant net migration loss at a rate of -1.0 percent. Thereafter, we project the rate will slow to -0.1 percent per year for our middle, or baseline, scenario, based on the historical rate from 1990 to 2017. (See Exhibit 2.) Through 2045, that rate combined with the projected birth and death rates would produce roughly 14 percent growth in the total population.

Because migration is the most uncertain component of population change, we included high and low scenarios of +1.0 percent and -1.0 percent. The middle scenario is the most reliable, while the high and low scenarios show the major effects that a persistent change in the state's net migration level could have. (See Exhibit 3.)

If the history of Alaska and other states are any indication, persistently negative net migration is unlikely. A number of states' net migration has been +1 percent or more of their total population in recent decades (such as Nevada, Arizona, Washington, and Colorado), but none has stayed at -1 percent or less per year for the long term.

West Virginia was the only state to lose population between 1980 and 2010, declining from 1.95 million to 1.85 million.

Population gain, but slower as deaths increase faster than births

While the state will likely grow in the coming decades, the projections suggest it will be slower than in the past. Population aging and the related slowdown in natural increase as deaths increase more than births will be the cause, however, rather than migration.

Trends in fertility rates and the number of people in their childbearing ages have kept Alaska's birth rates steady in recent decades, at between 9,000 and 11,500 births each year. The middle scenario projects births will increase somewhat through 2045 but not surpass 12,000 per year.

While mortality *rates* have decreased over time, the number of deaths has increased significantly due to population size and aging. Twenty years ago, Alaska

had around 2,500 deaths per year. That grew to more than 4,500 in 2017, and we project annual deaths will reach 8,000 by 2045.

Under-20 population could grow for the first time in decades

Alaska's 0-to-19-year-old population has been remarkably flat for the last couple of decades, but we project a total increase of about 3 percent through 2030 and 9 percent through 2045.

The size of this population is susceptible to changes in fertility rates as well as migration and aging, but unless fertility rates fall further than projected or net migration losses over time are significant, this age group will start to grow. (See Exhibit 4.)

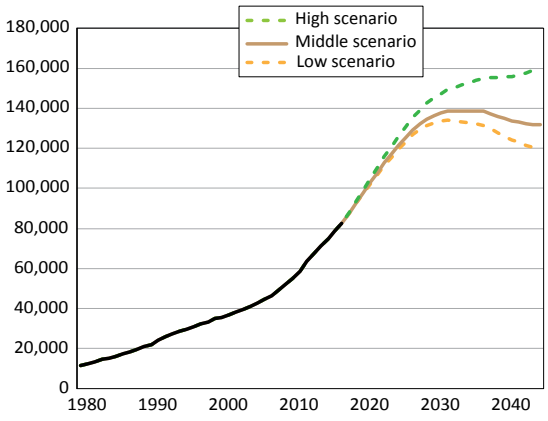
Continued decline projected for working ages of 20 to 64

Unless net migration turns significantly positive over the next 10 years, Alaska's 20-to-64-year-old population will remain flat or drop for the next decade due to aging. (See Exhibit 5.)

Alaska's large population of baby boomers — born between 1946 and 1964 — are aging out of this group, subtracting from it each year. While young people are also aging into the group each year and new migrants are adding to it, the combination of those moving away and aging out is a bit larger. This will continue for the next decade.

6 Big Increase for Ages 65+

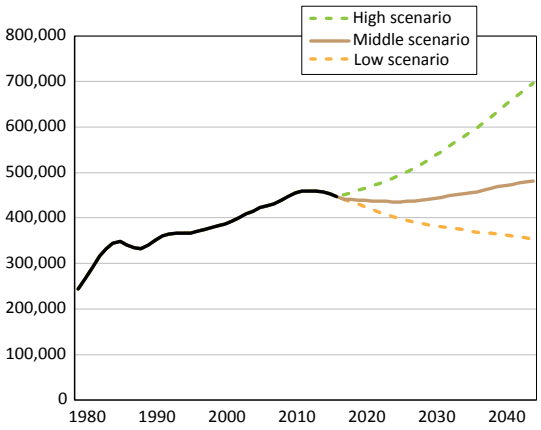
ALASKA, 1980 TO 2045



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

5 'Working Ages' Over Time

AGES 20 TO 64, ALASKA, 1980 TO 2045



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

65-plus group to continue rapid growth through 2035

Alaska's large cohort of aging baby boomers ensures strong growth for Alaska's senior population. While the future younger population is highly uncertain because of its sensitivity to shifts in migration rates, older people tend to move less.

Alaska's 65+ population will increase rapidly through 2030 and is projected to peak at nearly 140,000 around 2035 — a 68 percent increase from 2017.

The senior share of Alaska's population will also grow, but seniors will probably remain a smaller percentage of the population than they are nationally. Seniors are projected to reach 17 percent of Alaska's population by 2045 and unlikely to surpass the projected national peak of 22 percent.

Toward the end of the projection period, all baby boomers will be well into this age group and the increase will likely end. (See Exhibit 6.)

Alaska Native population to grow and increase as share of total

We project the Alaska Native population will steadily increase and surpass 180,000 by 2045, an addition of more than 30,000 people. The Alaska Native share of the state's population is projected to increase slightly too, from 20 percent to 22 percent, but that largely depends on the state's overall population increase. As with the state as a whole, the Alaska Native popula-

7 Alaska's Population by Area

2017 to 2045

	July 1, 2017 Estimate	July 1, 2020 Projection	July 1, 2025 Projection	July 1, 2030 Projection	July 1, 2035 Projection	July 1, 2040 Projection	July 1, 2045 Projection
Alaska	**737,080**	**746,582**	**770,392**	**790,777**	**808,367**	**823,771**	**837,806**
Anchorage/Mat-Su Region	**401,649**	**410,188**	**428,666**	**445,375**	**460,359**	**473,754**	**485,669**
Anchorage, Municipality	297,483	299,970	306,518	311,237	314,438	316,577	318,169
Matanuska-Susitna Borough	104,166	110,218	122,148	134,138	145,921	157,177	167,500
Gulf Coast Region	**80,698**	**80,793**	**81,921**	**82,571**	**82,817**	**82,765**	**82,521**
Kenai Peninsula Borough	58,024	58,696	60,412	61,702	62,586	63,147	63,472
Kodiak Island Borough	13,287	13,010	12,747	12,444	12,132	11,824	11,549
Valdez-Cordova Census Area	9,387	9,087	8,762	8,425	8,099	7,794	7,500
Interior Region	**111,911**	**112,579**	**115,009**	**116,662**	**117,802**	**118,642**	**119,559**
Denali Borough	1,849	1,854	1,890	1,912	1,916	1,909	1,906
Fairbanks North Star Borough	97,738	98,555	101,069	102,866	104,172	105,141	106,121
Southeast Fairbanks Census Area	6,973	6,976	7,055	7,087	7,103	7,134	7,186
Yukon-Koyukuk Census Area	5,351	5,194	4,995	4,797	4,611	4,458	4,346
Northern Region	**27,705**	**27,902**	**28,476**	**29,144**	**29,918**	**30,810**	**31,852**
Nome Census Area	10,006	10,038	10,234	10,474	10,745	11,076	11,462
North Slope Borough	9,849	10,033	10,314	10,632	10,997	11,392	11,819
Northwest Arctic Borough	7,850	7,831	7,928	8,038	8,176	8,342	8,571
Southeast Region	**72,915**	**72,363**	**72,316**	**71,776**	**70,847**	**69,565**	**68,010**
Haines Borough	2,459	2,391	2,341	2,269	2,177	2,065	1,930
Hoonah-Angoon Census Area	2,122	2,035	1,969	1,882	1,787	1,681	1,570
Juneau, City and Borough	32,269	32,242	32,554	32,640	32,531	32,240	31,783
Ketchikan Gateway Borough	13,754	13,620	13,561	13,418	13,186	12,919	12,607
Petersburg Borough	3,147	3,106	3,038	2,940	2,833	2,720	2,605
Prince of Wales-Hyder Census Area	6,390	6,369	6,366	6,340	6,305	6,240	6,170
Sitka, City and Borough	8,748	8,609	8,489	8,312	8,092	7,829	7,530
Skagway Borough, Municipality	1,087	1,116	1,185	1,249	1,302	1,332	1,364
Wrangell, City and Borough	2,387	2,354	2,330	2,280	2,223	2,166	2,104
Yakutat, City and Borough	552	521	483	446	411	373	347
Southwest Region	**42,202**	**42,757**	**44,004**	**45,249**	**46,624**	**48,235**	**50,195**
Aleutians East Borough	2,977	2,944	2,895	2,844	2,791	2,731	2,673
Aleutians West Census Area	5,357	5,334	5,272	5,201	5,123	5,029	4,922
Bethel Census Area	18,127	18,452	19,183	19,950	20,790	21,772	22,924
Bristol Bay Borough	887	857	816	775	738	692	651
Dillingham Census Area	4,925	4,894	4,934	4,967	5,036	5,140	5,286
Kusilvak Census Area	8,208	8,525	9,069	9,601	10,162	10,815	11,599
Lake and Peninsula Borough	1,721	1,751	1,835	1,911	1,984	2,056	2,140

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

tion 65 and older is projected to grow rapidly, from 8 percent to 12 percent of all Alaska Natives.

Projected change across the state

Anchorage

We project Anchorage will add just over 20,000 people — a 7 percent increase — between 2017 and 2045. (See Exhibit 7).

Each area's net migration projection is based on its historical data. The last four years of net migration losses pulled Anchorage's projected population down some from previous releases, affecting both the starting population for this release and the projected net migration, but we used migration data back to 2000 to develop the projection.

Matanuska-Susitna

For the Matanuska-Susitna Borough, we used the last 10 years of data to develop its migration projection, which shows significant growth. Mat-Su will add nearly 65,000 people through 2045: a 61 percent increase. While that's somewhat lower than the last projections, Mat-Su will remain the fastest growing part of the state.

Fairbanks North Star

Fairbanks North Star Borough will add a projected 8,400 people from 2017 to 2045. As with Anchorage and Mat-Su, that's lower than past projections due to five years of negative net migration. To project Fairbanks' net migration, we used migration data from 2000 to 2017, a period that had ups and downs.

For the Interior Region as a whole, we project an increase of 7,600 people (7 percent) over the period, all attributable to the Fairbanks North Star Borough.

Northern and Southwest

The Northern and Southwest regions are younger and have higher birth rates and lower death rates than the rest of the state. We project this will continue, and while age structure alone would suffice for growth, this trend will be compounded by high fertility rates.

These regions are the fastest growing in Alaska after Mat-Su. The projections show nearly 15 percent growth for the Northern Region between 2017 and 2045, and nearly 19 percent for Southwest.

Southeast and Gulf Coast

The Southeast and Gulf Coast regions are the oldest, with less projected growth through natural increase.

We project long-term net growth of about 2,000 people for Gulf Coast. Kenai Peninsula Borough is expected to grow by about 5,000, which will more than compensate for projected losses in the Kodiak Island Borough and Valdez-Cordova Census Area.

Southeast's total population is projected to drop by approximately 5,000, to just over 68,000 people. Juneau's total population is projected to remain flat, decreasing by just 500 over several decades.

Even when the total population changes little, though, a great deal of turnover continues beneath the surface. That information and more is available in the full report, which includes a new appendix that reviews the 2007 projections in light of what's happened since.

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HOUSE PRICES

Continued from page 8

marked by less competitive bidding, fewer buyers, and lower sales volume — but less activity hasn't pushed sales prices down. (See Exhibit 10.)

Even though homes have become more affordable, down payments and mortgage insurance premiums can still be barriers to home ownership. Consider that a 20 percent down payment (which is generally required to avoid paying mortgage insurance) for an average priced home toward the end of 2017 would have been almost $65,000. Even if housing demand is strong and interest rates are low, that's a difficult amount for many to pay up front. As a result, some potential buyers are probably on the sidelines, putting away money and watching the market.

Muted selling can offset less buying, and some sellers may also be sitting on the sidelines, holding on to their property with the intent to sell when the market is most favorable. Homes are still hitting the market and often still selling quickly, although it varies considerably by area and even by neighborhood. The difference is that a home easily sold for asking price now might have had multiple competing buyers a few years ago and bidding would have driven up the final price considerably.

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