

Insights to Anchorage's Recession

By Greg Huff

We have all heard of the recession and many Anchorage residents have experienced it first hand. They have lost jobs, homes, businesses and investments. Many statistics have monitored and recorded the loss of jobs and investments, as well as bankruptcies and foreclosures. These key economic indicators, however, lack geographic and demographic detail. This article examines statistics from the Municipality of Anchorage Department of Economic Development and Planning (DEDP).¹ These statistics yield some interesting insights into the impacts on Anchorage residents and neighborhoods during the severest segment of the recession. One overriding theme is clear from the data—the recession affected neighborhoods and their residents differently.

Between 1985 and 1987 Anchorage's employment declined 12% and population declined 8%. These losses represent 13,400 jobs and 19,150 people. According to DEDP's figures 66% of those persons leaving the city from 1985 to 1987 had lived there less than 4 years (Figure 1). Those in Anchorage less than a year accounted for nearly half of Anchorage's population decline. The net result was a decline of "newcomers" by 25,000. This decline was partially offset, however, by a net increase of 5,600 people who had been in Anchorage for four or more years. During this time, the average length of residence increased from 9.0 to 10.1 years. Nearly nine percent of the population had lived in Anchorage for more than 25 years.

The recession had a lopsided effect on the young adult population, in particular, the young male population. For example, although young adults aged 20 to 34 represented 35% of Anchorage's population, they accounted for nearly 80% of the population losses between 1985 and 1987 (Figure 2). Two-thirds of the decline was male.

Labor Force Characteristics

Civilian labor force statistics are another indicator highlighting the recession's adverse impact on the male population. The number of males in the civilian labor force declined more than 13,000 compared to 2,600 for women. The majority of these males were in the 20 to 34 year old bracket. The proportion of males fell from slightly over 52% of the work force in 1985 to 50.3% in 1987. It is likely that the large decline in the male work force was due to the contraction in the construction and oil field services industries. While the labor force participation rate for men declined slightly, it increased for

¹ In 1988 the name of the Department was changed from the Community Planning Department to the current Department of Economic Development and Planning. Also a special thanks to Mike Breedlove, the Municipal Demographer, for additional information and insights for this article.

Figure 1
Anchorage Population Change by Length of Residence* 1985-1987

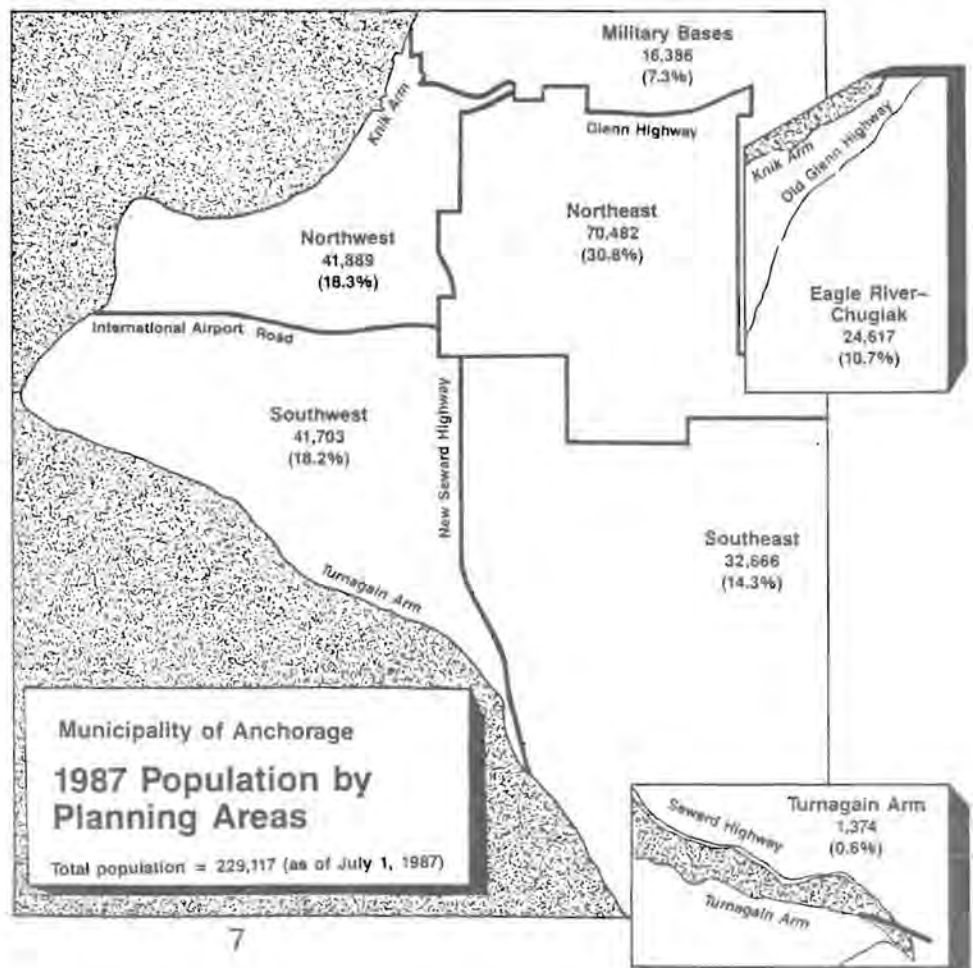
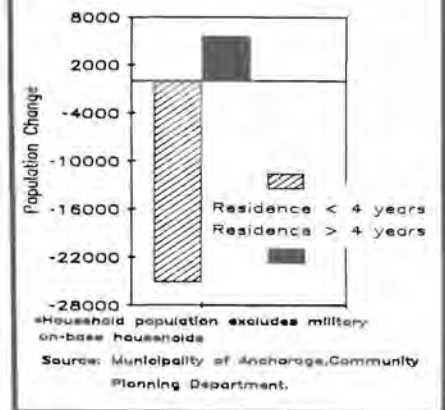
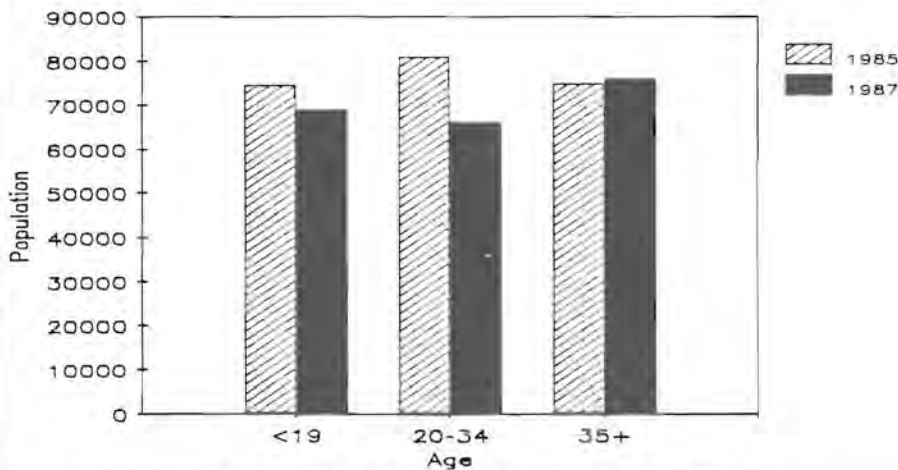


Figure 2
Population Change by Age 1985-1987



Source: Anchorage Department of Economic Development and Planning

women 25-64 years old. One explanation is that more women entered the labor force to help support the family.

Household Characteristics

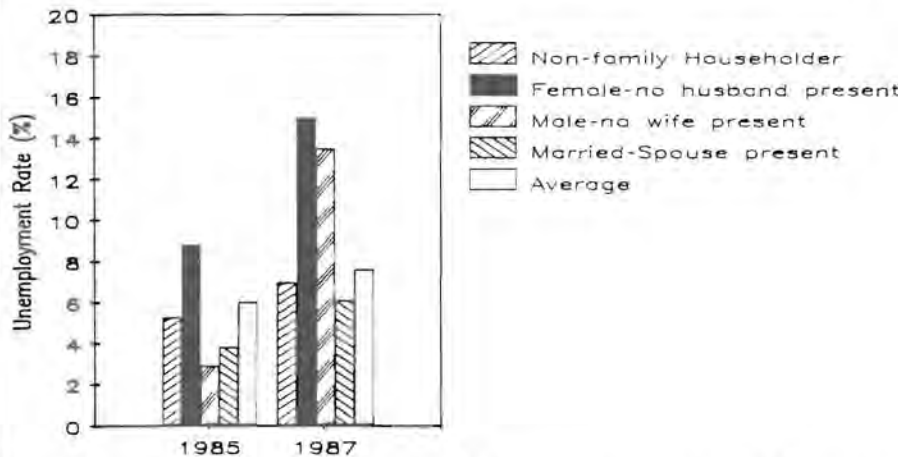
Changing population characteristics caused by the recession have had an enormous impact on household characteristics as well. Table 1 shows nonfamily households (households with no family members living together) declined more than other household types. At the same time the number of single parents with children less than 18 years old at home increased, particularly the number of single mothers. The unemployment rates for heads of households increased across the board, but the single parents averaged the highest unemployment rate (Figure 3).

From 1985 to 1987 the number of households fell, while the number of housing units increased from 88,804 to 91,298. This left 13,771 housing units vacant, a vacancy rate of 15%. Vacancy rates varied by the type of housing unit (Table 2). Because young adults have a greater likelihood of living in a multi-unit housing complex than other adult groups, the loss of young adults and the high vacancy rates in multi-family units go hand-in-hand.

Geographic Differences

Within the Municipality there are unique neighborhoods and a number of ways to group them (by community council, census tract, zoning), but for simplicity this article uses DEDP's planning areas. These geographic areas are illustrated in Map 1.²

Figure 3
Unemployment Rate of Householders



Source: Municipality of Anchorage; Dept. of Economic Development and Planning

Table 1
Household Characteristics For Anchorage
1985 and 1987

	1985	1987	Percent Change
Total Households	81,663	77,527	-5.1
Family Households	58,119	55,831	-3.9
Single Parent w/children under 18	5,778	6,181	6.9
Married couple w/children under 18	26,347	25,065	-4.9
Family Household no children under 18	26,014	24,599	-5.4
Nonfamily Household	23,542	21,696	-7.8

Source: Municipality of Anchorage; Department of Economic Development and Planning; 1987 Anchorage Population Profile.

² The Department of Economic Development and Planning also collects data by community council and census tract levels.

North Anchorage lost the most population due to the recession. Seventy-five percent of the 19,146 two-year population loss took place in north Anchorage. The northeast area declined by 7,500 and northwest by 6,887. The Eagle River-Chugiak area had the smallest population declines—2.8% compared to 14.1 for northeast Anchorage (Table 3).

The differences between population losses in the various areas are explained by their demographic and housing characteristics. Remember that nearly 80% of the population decline was among young adults 20 to 34 years old, a majority of which were male. In addition, population declines among nonfamily households were the most prominent among household types and multi-family housing units were the hardest hit among housing types.

North Anchorage had all the right demographic and housing characteristics for large population declines. For example, north Anchorage in 1985 had 59% of Anchorage's 20-34 year olds. From 1985 to 1987 10,580 of those 20-34 year olds left Anchorage—This was nearly three quarters of the 20-34 year olds leaving Anchorage between 1985 and 1987. North Anchorage also had the highest concentration of residents who had lived in Anchorage for 4 or less years. Furthermore, the north areas also had the highest proportion of non-family households (Figure 4) and multi-family housing (Figure 5).

Eagle-River Chugiak housing stock is 76% single family homes and the majority of this areas population are married couple families. These characteristics, combined with the close proximity to the military bases (many military families live off-base in the area) accounted for mild population declines.

Figure 4
Household Characteristics for Anchorage Planning Areas 1987

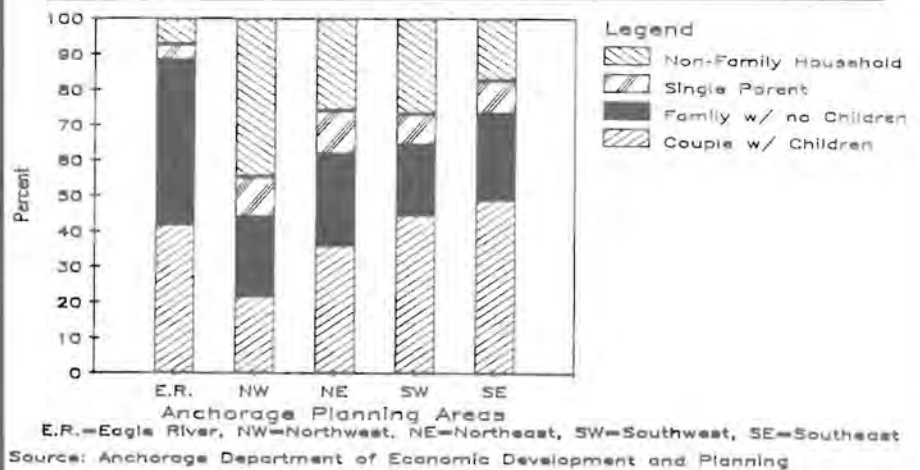
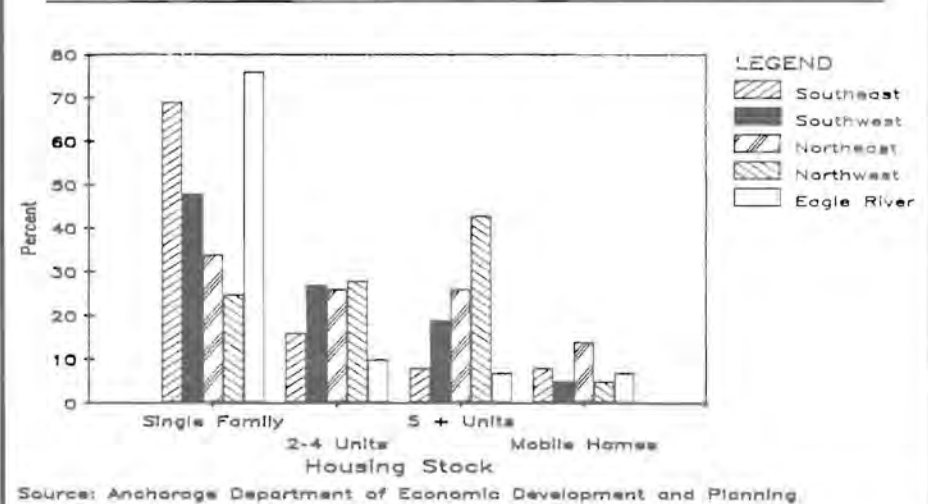


Figure 5
Housing Stock by Type for Selected Areas 1987



The recession had a lopsided effect on the young adult population.

Table 2
Vacancy Rates for Anchorage
By Type of Housing Unit
1985 and 1987

	1985	1987
Single Family	4.3%	7.1%
2-4 units ¹	8.3	16.5
5 or more units ²	14.4	26.0
Mobile homes	7.6	19.9
All structures	8.0	15.1

Source: Municipality of Anchorage; Department of Economic Development and Planning; *1987 Anchorage Population Profile*.

¹ Includes zero-lot lines, condominiums and apartments.

² Includes condominiums and apartments.

Table 3
Total Anchorage Population
By Planning Area
1985-1987

	1985	1987	Percent Change
Eagle River-Chugiak	25,067	24,617	-2.8
Anchorage Bowl	205,186	186,740	-9.0
Northwest Anchorage	48,776	41,889	-14.1
Northeast Anchorage	77,945	70,482	-9.6
Southwest Anchorage	45,044	41,703	-7.4
Southeast Anchorage	33,421	32,666	-2.3
Turnagain Arm	1,607	1,374	-14.4
Military Bases	16,403	16,386	-0.01
Total Anchorage	248,263	229,117	-7.7

Source: Municipality of Anchorage; Department of Economic Development and Planning; *1987 Anchorage Population Profile*.

Conclusion

In 1988 employment decreases moderated considerably, compared to the 1986-1987 period. Forecasts call for employment growth in late 1988 and 1989. Theory holds that population will follow suit. However, until there is a strong resurgence in construction activity, it is unlikely that young males will migrate to Anchorage in the numbers they did during the 80's construction boom. Anchorage's future demographic characteristics will be shaped by the events between 1985-1987.

The recession has caused the male to female population and labor force ratios to approach the closest to 50/50 in Anchorage's history. The newest and youngest Anchorage residents tended to be the group of residents to leave because of the lack of jobs. In turn, Anchorage's median age and the average length of residency increased. Experts believe these trends will continue.