

Average wages grew over decade

11 percent overall, but varied by industry and Alaska area

By NEAL FRIED

The average yearly wage in Alaska rose 11 percent between 2010 and 2020 when adjusted for inflation, or about \$5,809 more by 2020.

Nearly all parts of the state saw some wage growth, but rates varied from a 48 percent increase in the Aleutians East Borough to a slight loss for the Lake and Peninsula Borough.

If we exclude 2020 from the calculation, the increase through 2019 was just 3 percent. Although it might seem counterintuitive for a year of massive job loss, the pandemic boosted the average wage notably between 2019 and 2020 because of the types of jobs Alaska lost and the way the average annual wage is calculated.

Most jobs lost to COVID-19 were lower-wage, part-time positions in the service industries, pushing up the average wage for the remaining jobs. (For more on the data, see the sidebar below. For a look at *total* wages paid in 2020, see the next article on page 10.)

For example, the average wage for the leisure and hospitality sector in 2020 was \$25,164. These are mainly lower-paying, part-time jobs in entertainment, hotels, bars, and restaurants. In contrast, mining

Change in wages by area over a decade

	2010 avg wages	2020 avg wages	Percent change
Alaska	\$55,307	\$61,116	11%
Aleutians East Borough	\$37,674	\$55,776	48%
Aleutians West Census Area	\$46,296	\$62,880	36%
Anchorage Municipality	\$58,659	\$64,536	10%
Bethel Census Area	\$42,082	\$48,108	14%
Bristol Bay Borough	\$49,369	\$63,120	28%
Denali Borough	\$51,372	\$65,232	27%
Dillingham Census Area	\$42,360	\$52,740	25%
Fairbanks North Star Borough	\$52,693	\$56,892	8%
Haines Borough	\$37,757	\$40,632	8%
Hoonah-Angoon Census	\$36,283	\$39,564	9%
Juneau City and Borough	\$51,080	\$59,040	16%
Kenai Peninsula Borough	\$47,728	\$54,576	14%
Ketchikan Gateway Borough	\$47,214	\$52,548	11%
Kodiak Island Borough	\$46,324	\$49,644	7%
Kusilvak Census Area	\$27,118	\$34,644	28%
Lake and Peninsula Borough	\$42,444	\$39,816	-6%
Matanuska-Susitna Borough	\$42,986	\$48,420	13%
Nome Census Area	\$46,769	\$60,060	28%
North Slope Borough	\$97,723	\$108,864	11%
Northwest Arctic Borough	\$60,815	\$75,936	25%
Petersburg Borough	\$39,676	\$44,628	12%
Prince of Wales-Hyder Census Area	\$40,177	\$44,328	10%
Sitka City and Borough	\$44,641	\$51,444	15%
Skagway Borough, Municipality	\$44,669	\$47,280	6%
Southeast Fairbanks Census Area	\$70,021	\$75,084	7%
Valdez-Cordova Census Area*	\$53,291	\$63,372	19%
Wrangell City and Borough	\$40,121	\$44,652	11%
Yakutat City and Borough	\$38,758	\$54,324	40%
Yukon-Koyukuk Census Area	\$41,734	\$42,588	2%

Note: Inflation-adjusted to 2020 dollars

*This area was divided into two census areas in 2020 (Copper River and Chugach) but is combined here for comparison to 2010.

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

About the data

Average wage data come from payroll reports that most Alaska employers submit to the Department of Labor and Workforce Development; they are not estimated or sample-based. The average annual wage is the total payroll divided by the total number of jobs.

One of the data's strengths is the straightforwardness and simplicity, but multiple factors can move the numbers. These include changes in the numbers of hours worked, wage rates, or industry and occupational mixes.

Another limitation is that this data set can't differentiate between part-time and full-time jobs, so they carry equal weight.

is mostly full-time work in oil and gas and hard rock mining that averages \$154,500 a year.

The mining sector did shed jobs in 2020, but jobs lost in the pandemic came disproportionately from leisure and hospitality and retail. Those two industries alone lost nearly 12,000 jobs in a year.

Excluding so many lower-wage jobs from the calculation while the higher-paying jobs remained pushed the annual average up considerably.

Growth differences by area and industry

Most of the areas with the highest average wage growth over the decade were small labor markets with seasonal workforces.

Areas topping 25 percent were mainly fish processing centers. Wages in Aleutians East Borough, which mainly come from seafood processing and can swing widely even under normal circumstances, grew 48 percent overall.

Another example is the tourism-centered Denali Borough, which lost over half of its employment when the visitor season evaporated that year. The remaining jobs were mainly higher-paying government and mining positions, which drove the average annual wage up from \$45,912 in 2019 to \$65,232.

Most large communities, which have more diverse economies, fell into the average range for wage increases. These included Fairbanks, Anchorage, and the Matanuska-Susitna Borough.

The changes by industry over the decade were all over the map, too. Seafood processing was again an extreme example at 35 percent. The minimum wage increase probably helped lift seafood processing's average annual wage, because the minimum wage is often the base pay. Workers rely on copious amounts of overtime to fatten their paychecks.

In 2010, Alaska's minimum wage was \$7.75, and in

Industry wages and how much they've risen

	2010 avg wages	2020 avg wages	Percent change
All industries	\$55,307	\$61,116	11%
Mining	\$134,159	\$154,500	15%
Oil and Gas	\$138,387	\$169,632	23%
Construction	\$81,244	\$82,356	1%
Manufacturing	\$44,613	\$55,752	25%
Seafood Processing	\$40,010	\$54,096	35%
Wholesale Trade	\$59,229	\$61,680	4%
Retail Trade	\$32,695	\$35,508	9%
Transportation and Warehousing	\$66,405	\$80,028	21%
Utilities	\$81,383	\$96,816	19%
Information	\$63,763	\$74,316	17%
Financial Activities	\$59,340	\$65,940	11%
Professional and Business Services	\$64,152	\$68,544	7%
Education and Health Services	\$48,896	\$58,848	20%
Health Care	\$55,389	\$65,265	18%
Leisure and Hospitality	\$22,932	\$25,164	10%
Other	\$34,364	\$40,392	18%
Total Government	\$58,117	\$62,868	8%
Federal	\$79,325	\$83,052	5%
State	\$57,839	\$61,836	7%
Local	\$48,813	\$55,152	13%

Note: Inflation-adjusted to 2020 dollars

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

2020, it was \$10.19. This likely affected some data by area, too, partly explaining why some places topped the list for robust wage growth.

Inflation hadn't yet become a factor for these numbers

Inflation wasn't a big influence on wages over the decade, as it was 1.5 percent on average each year from 2010 to 2020. That's likely to change, however, because the inflation rate rose into new territory in 2021. ([See the February issue for more.](#))

For the first three quarters of 2020, unadjusted wages averaged \$59,903 for the year, and for the same period in 2021, it was \$60,457. That was a 1 percent increase in wages, but inflation was 4.9 percent in 2021, effectively wiping out the minor gain and then some.

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