

ALASKA MIGRATION AND U.S. RECESSIONS

How the Lower 48 economy affects moves to and from Alaska

By **NEAL FRIED**

In 2009, as the nation was in a deep recession, we published an article in the June issue of *Trends* asking whether that recession, like others in the past, would affect Alaska's migration patterns.

Historically, fewer people leave Alaska during a national recession and more move north seeking job opportunities. The reverse is also true; when the national economy is flourishing and Alaska has a downturn, Alaska is more likely to register net migration losses.

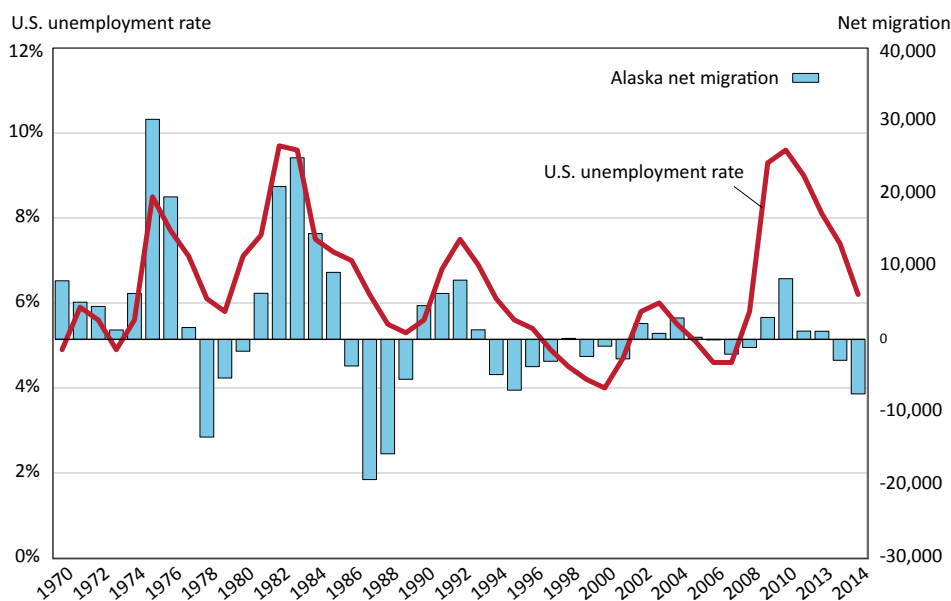
Now that the U.S. recession has played itself out, it's

clear it was no exception — Alaska gained population each year from 2009 to 2012 through net migration, or migration in minus migration out. (See Exhibit 1.)

In, out migration usually cancel out

Alaska has significant population turnover every year. During the past decade, typically between 40,000 and 50,000 people moved to and from Alaska annually. These common, relatively large migration flows aren't always tied to economic conditions, as people move for a range of reasons including military rotations, school calendars, retirement, or changing family responsibilities.

1 Alaska Migration, U.S. Jobless Rate Track Together 1970 TO 2014



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

2 U.S. Unemployment and Alaska Migration 1970 to 2014

Year	AK Total Net Migration	Unemployment Rate, National
1970	8,040	4.9%
1971	5,107	5.9%
1972	4,533	5.6%
1973	1,287	4.9%
1974	6,320	5.6%
1975	30,222	8.5%
1976	19,576	7.7%
1977	1,637	7.1%
1978	-13,414	6.1%
1979	-5,289	5.8%
1980	-1,629	7.1%
1981	6,326	7.6%
1982	20,992	9.7%
1983	24,934	9.6%
1984	14,526	7.5%
1985	9,206	7.2%
1986	-3,646	7.0%
1987	-19,245	6.2%
1988	-15,710	5.5%
1989	-5,480	5.3%
1990	4,637	5.6%
1991	6,310	6.8%
1992	8,138	7.5%
1993	1,314	6.9%
1994	-4,840	6.1%
1995	-6,980	5.6%
1996	-3,741	5.4%
1997	-3,001	4.9%
1998	145	4.5%
1999	-2,337	4.2%
2000	-927	4.0%
2001	-2,676	4.7%
2002	2,196	5.8%
2003	819	6.0%
2004	2,948	5.5%
2005	292	5.1%
2006	-56	4.6%
2007	-2,023	4.6%
2008	-1,111	5.8%
2009	3,009	9.3%
2010	8,347	9.6%
2011	1,131	8.9%
2012	1,113	8.1%
2013	-2,870	7.4%
2014	-7,488	6.2%

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

Typically, the in-flows and out-flows are about equal so they cancel each other out, and Alaska's growth comes primarily from natural increase. But the national recession of the past decade, often characterized as the worst since the Great Depression, turned Alaska's net migration numbers positive.

Recovery was long, and nearby states suffered

The recession officially began in December 2007 and ended in June 2009, but the subsequent economic recovery was slow. The national unemployment rate was 9 percent or higher for the next two years and didn't drop below 8 percent until 2013. U.S. employment didn't fully recover recession losses until April 2014.

Job markets also deteriorated in three of the four states that regularly provide Alaska with its largest numbers of migrants: California, Washington, and Oregon. The fourth state, oil-rich Texas, was the exception.

California's unemployment rate hit double digits in 2009 and stayed there for four years, peaking at 12.2 percent in 2010. The number of unemployed Californians topped 2 million and stayed there for three years. Oregon's unemployment rate moved into double-digit territory in 2009 and didn't fall below 9 percent until 2012. In Washington, the state most economically aligned with Alaska, the jobless rate peaked at 10.4 percent in January 2010 and remained above 9 percent for 2009 through 2011.

Combined, the number of unemployed in these three feeder states grew from 1.1 million in October 2006 to 2.8 million in October 2010.

In 2009, Alaska's net migration gain was 3,009, the largest since 1992. In 2010, that jumped to 8,347, the largest since 1985. Then in 2011 and 2012, as the nation continued to struggle, Alaska's net migration gains continued but were smaller.

Migration muted over time

Those numbers are much smaller than past migrations to Alaska during national recessions, such as those of the 1970s and 1980s. Although the national unemployment rates in 1983 and 2010 were identical at 9.6 percent, Alaska's net migration in 1983 hit 24,934.

Alaska's wages were much higher in those early decades, and there haven't been any large projects on the scale of the Trans-Alaska Oil Pipeline construction acting as an attractant.

Another explanation is that in the long run, migration

rates have fallen overall; Americans are simply moving less than they did in the past. National mobility rates hit a historic low in 2011 and have risen only slightly since.

National recovery changed the course

With the national economy in full recovery and U.S. employment reaching record levels, Alaska's net migration turned negative in 2013 and again in 2014. The net migration loss for 2014 was 7,488, the largest in 26 years. The loss was large enough that natural increase didn't offset it entirely, leading to a dip in Alaska's total population for the first time since 1988.

This reverse is not a reflection of Alaska's current economic challenges, though, as the 2014 numbers came before the large drop in oil prices and, more importantly, Alaska has continued to add jobs through the first half of 2015. It's more likely that the 2014 drop was due to pent-up demand to leave Alaska that may have built up during the long recession but wasn't feasible because the job market was so poor in the Lower 48 for so long.

If national economic conditions continue to hold sway over Alaska's migration numbers, however, Alaska's net migration numbers could remain negative, especially with a softer economic picture brought on by troop losses and low oil prices.

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