



Anchorage Economic Report & 2024 Forecast

Jenna Wright, President & CEO
Anchorage Economic Development Corporation



Anchorage Economic Development Corporation (AEDC)

Encouraging growth and diversity in the Anchorage economy, promoting a favorable business climate and improving the standard of living of Anchorage residents.

OUR VISION

- We will secure investments in physical infrastructure and community redevelopment
- We will be a strong advocate for affordable health care, housing, education and community safety
- We will be an advocate for workforce development and sound economic policy
- We will develop, maintain and improve Anchorage's quality of life and unique recreational and creative opportunities
- We will establish Live. Work. Play. as the community-wide priority with broad-based support from the public and business community
- We will forge strategic partnerships with organizations to accomplish our vision and priorities

Anchorage Economic Forecast Agenda

Demographic Trends

- ✓ Population
- ✓ Working-Age Population
- ✓ Anchorage Employment

Industry Sector Analyses

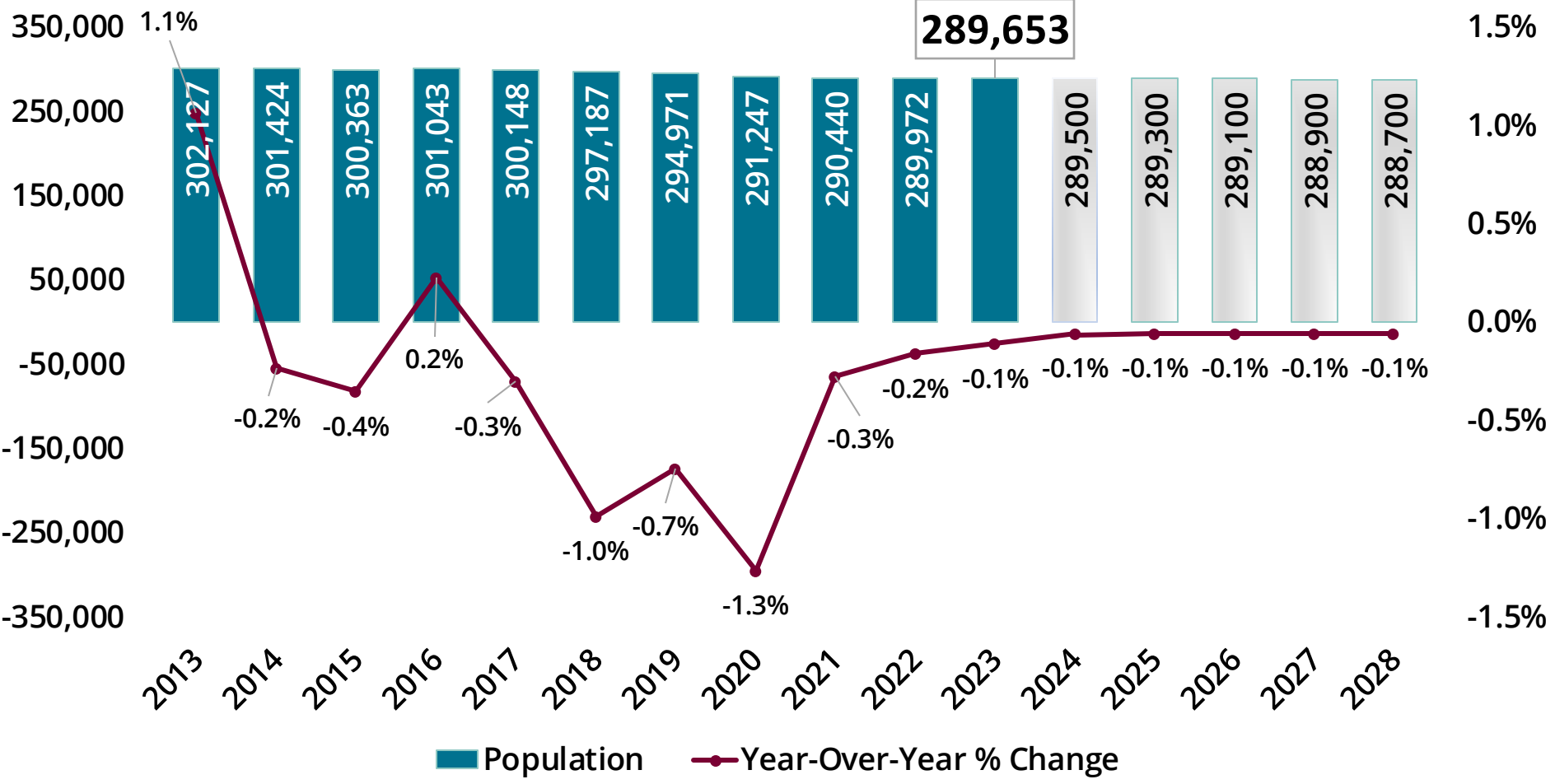
- ✓ Oil and Gas
- ✓ Transportation
- ✓ Visitor
- ✓ Construction

The Big Picture

- ✓ Purchasing Power
- ✓ Consumer Confidence
- ✓ Anchorage's Future



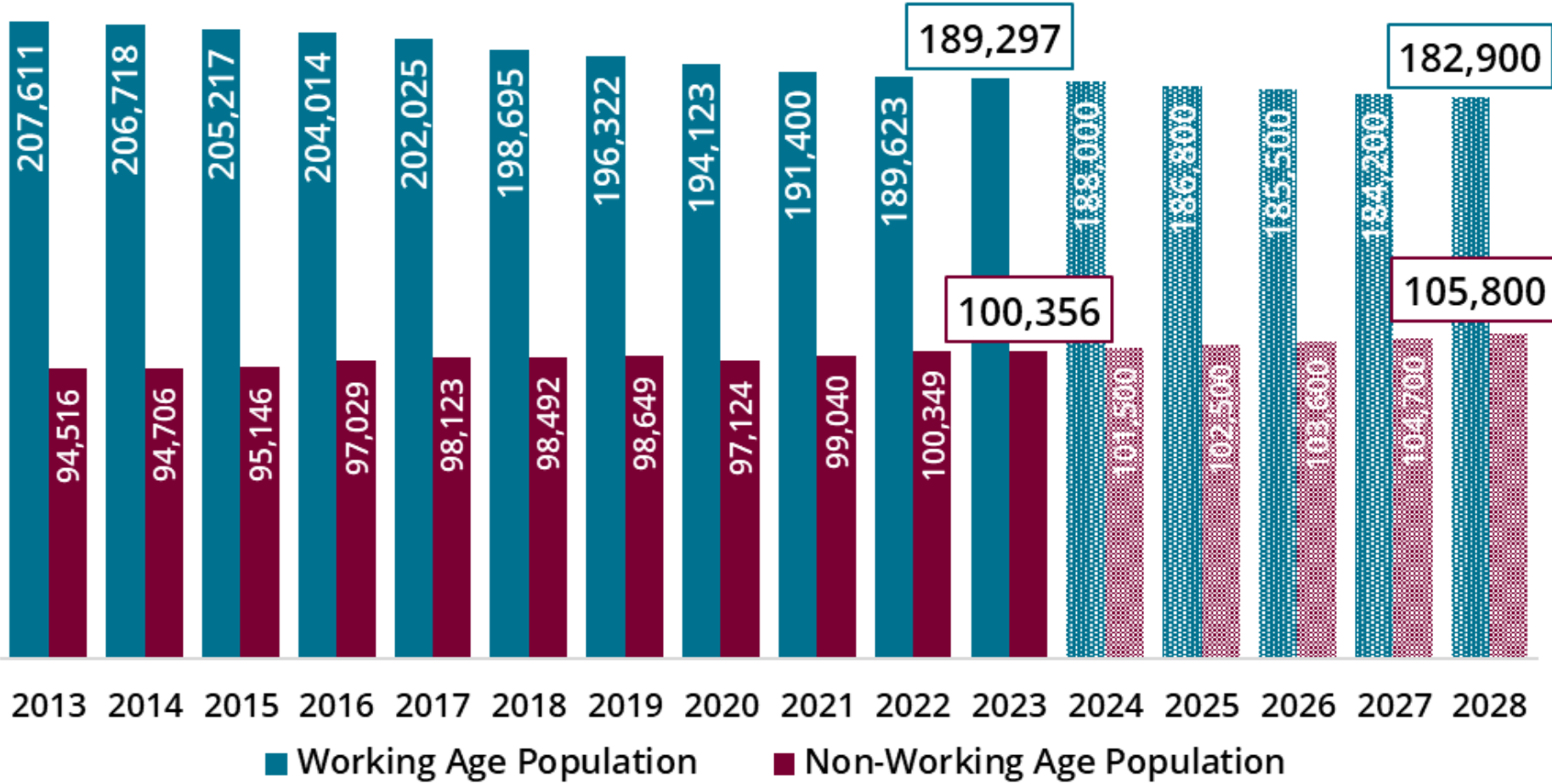
Anchorage Population and Annual Growth Rate



2024 FORECAST

Anchorage's population is expected to continue declining at low rates (-0.1%) over the next five years.

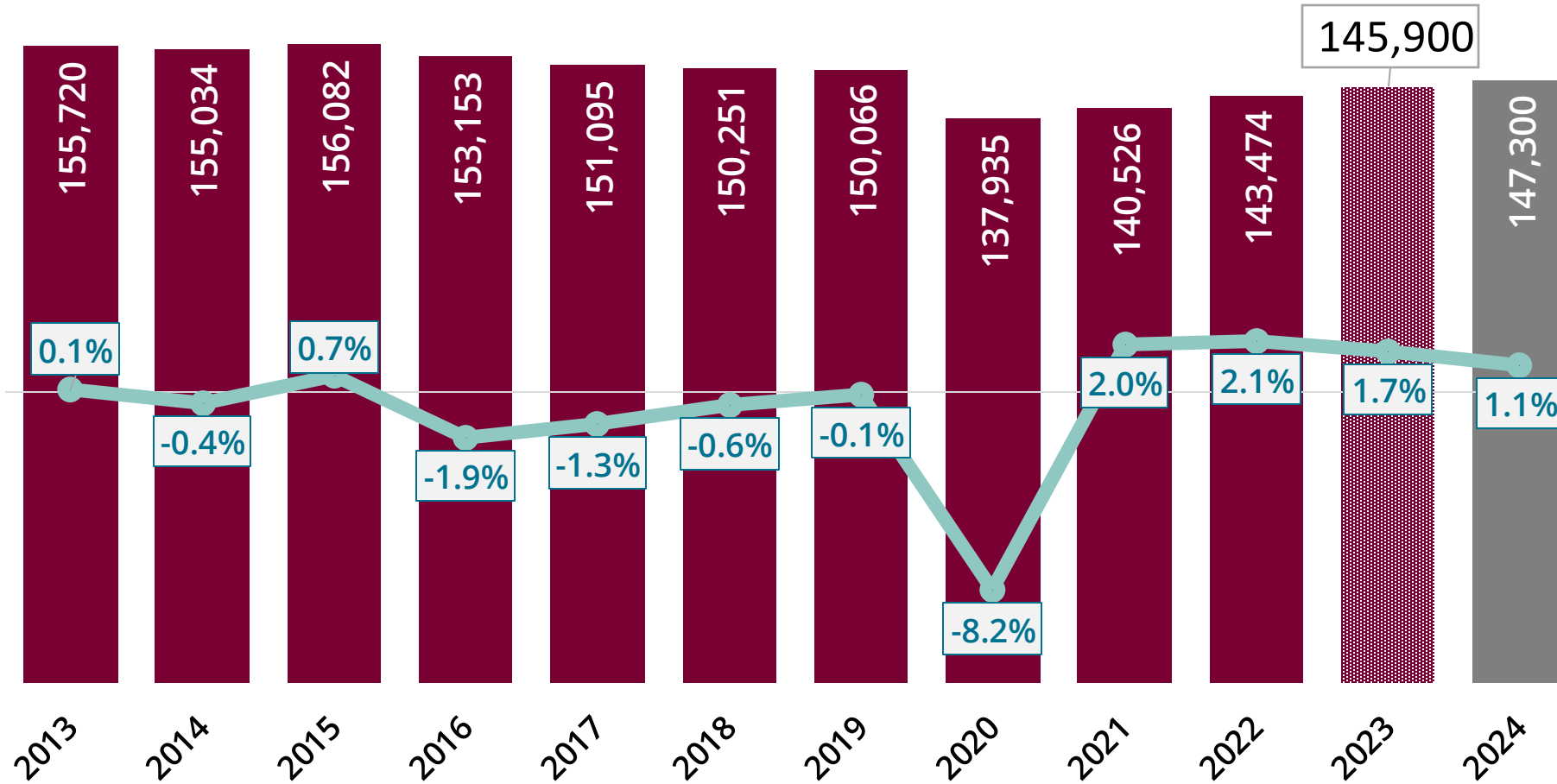
Anchorage Working-Age vs. Non-Working Age Population



**2024
FORECAST**

The proportion of Anchorage's population that is working age (between 16 and 64 years old) will continue to decline as the population ages.

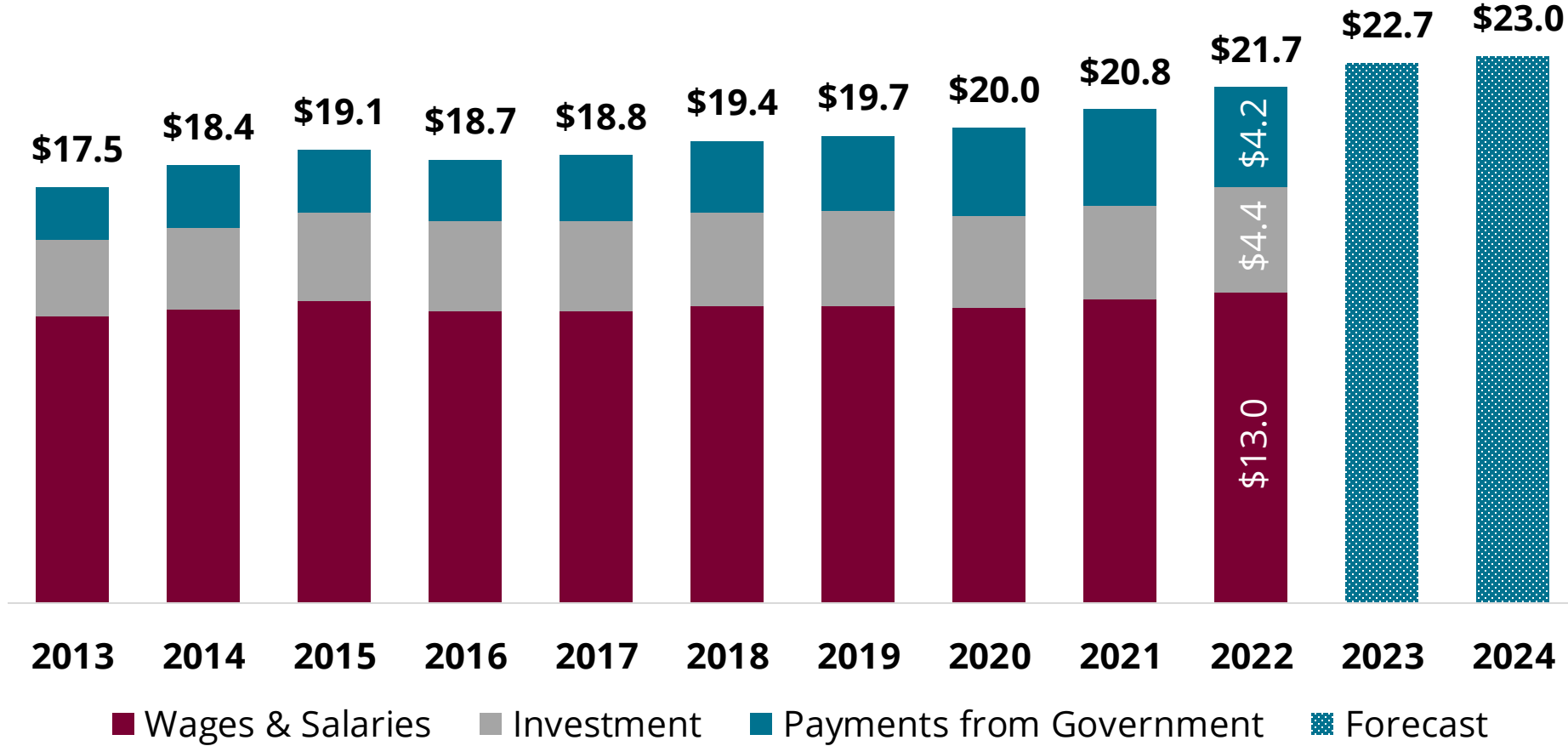
Average Annual Employment and Rate of Change



2024 FORECAST

Average annual employment will continue to increase towards pre-pandemic levels with almost all sectors experiencing growth.

Anchorage Personal Income (\$Billions)



2024 FORECAST

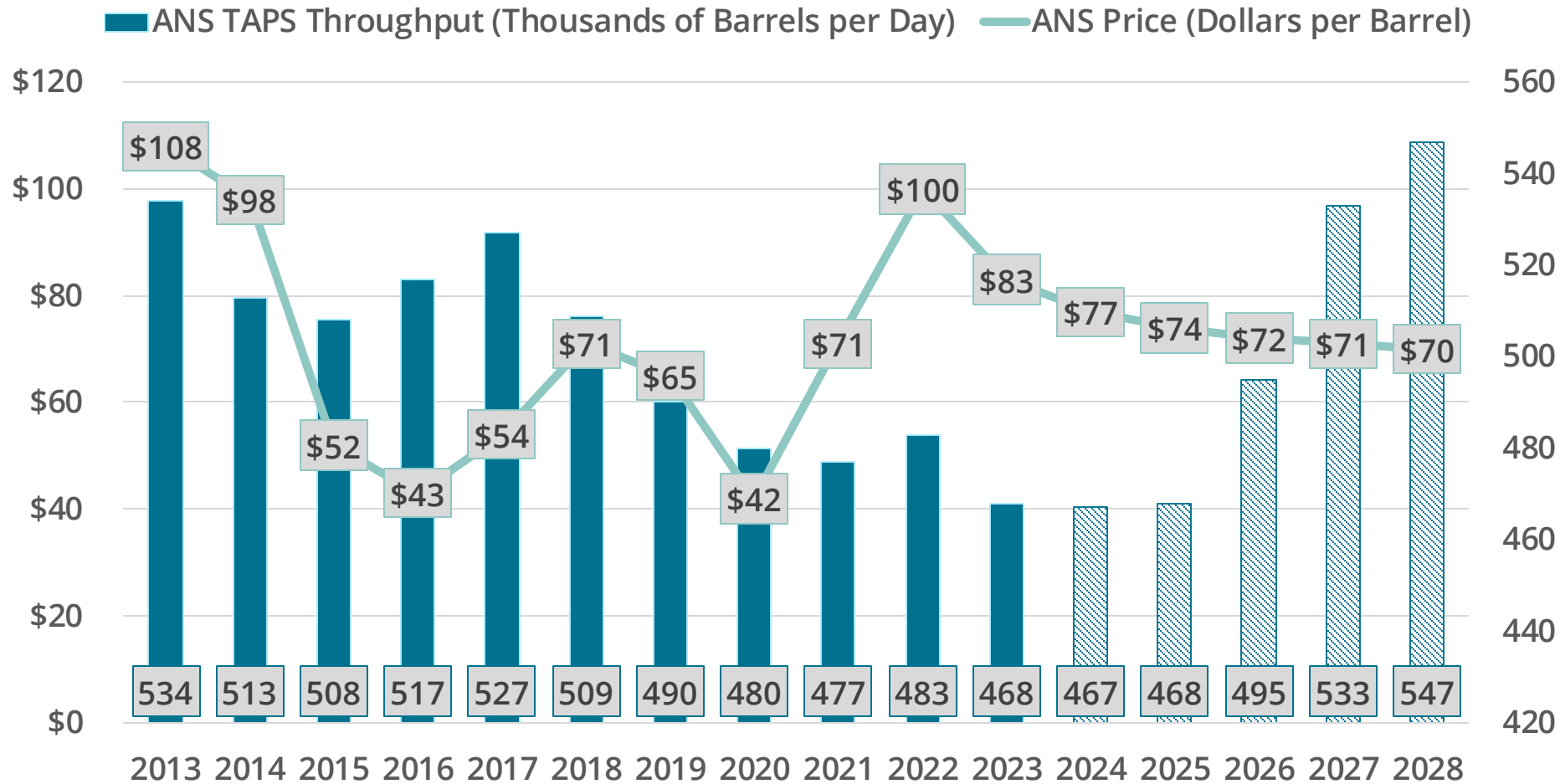
Wage growth is expected to outweigh reductions in pandemic related support to individuals, resulting in higher personal income.



OIL AND GAS INDUSTRY

(Photo by Rashah McChesney/Alaska's Energy Desk)

Alaska North Slope (ANS) Crude Oil Prices and Production



2024 FORECAST

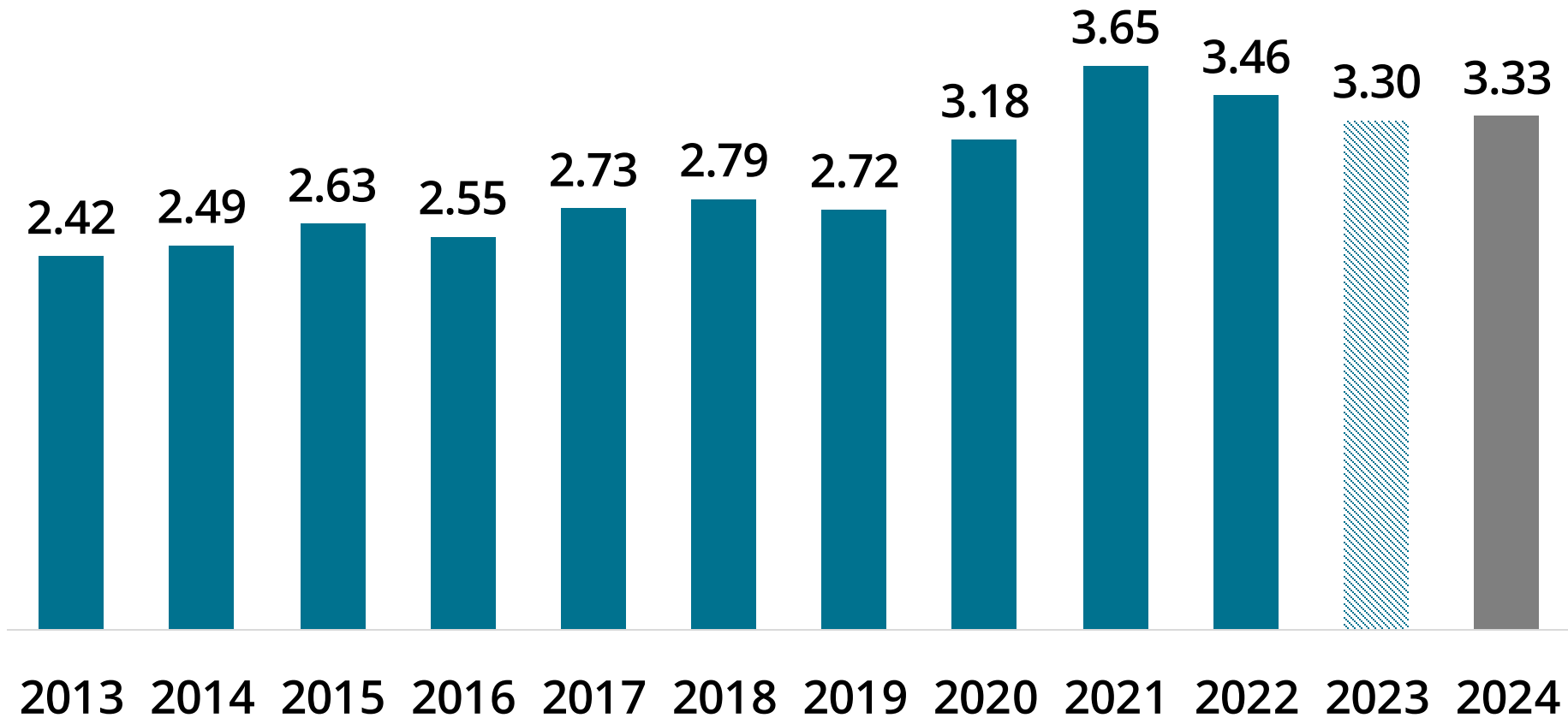
ANS production is expected to steadily increase after 2026, while prices remain below recent 2022 high of \$100/bbl.



TRANSPORTATION INDUSTRY

(Photo by Erik Hill/Port of Alaska)

Anchorage International Airport Air Cargo (Million Metric Tons)

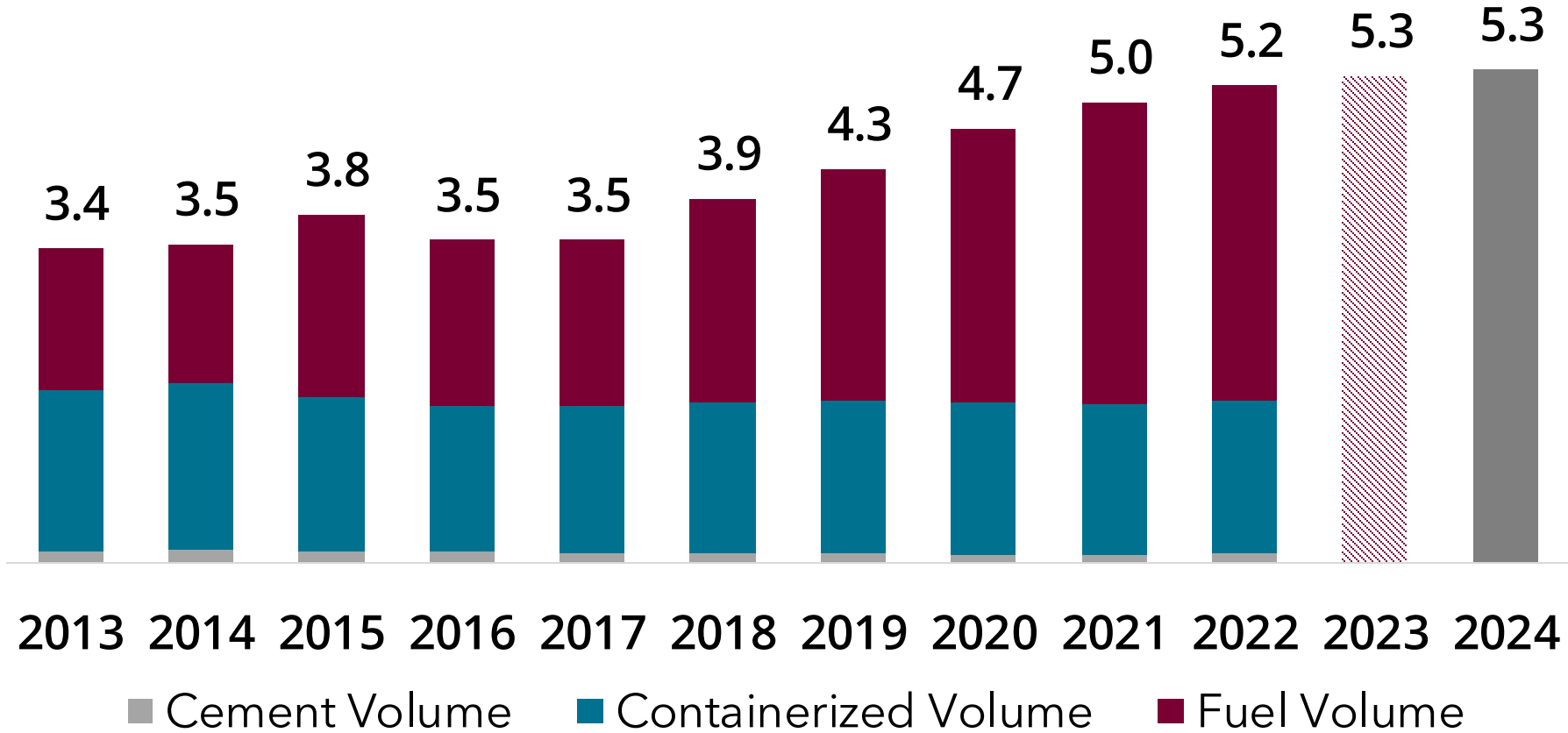


2024 FORECAST

Air cargo volume in Anchorage will stabilize with modest growth as supply chains continue to readjust to pre-pandemic patterns.

Port of Alaska Volume

(Million Tons)



**2024
FORECAST**

Shipping through the Port of Alaska will continue at historically high volumes.



VISITOR INDUSTRY

(Photo by Roy Neese/Visit Anchorage)



2023 VISITOR INDUSTRY HIGHLIGHTS

1 in 9 jobs in Anchorage **related to tourism.**

Air **passenger volume up 6%** and cross-gulf **cruise volume up 39%.**

Approximately **\$60 million** in local hotel and car rental **taxes collected.**

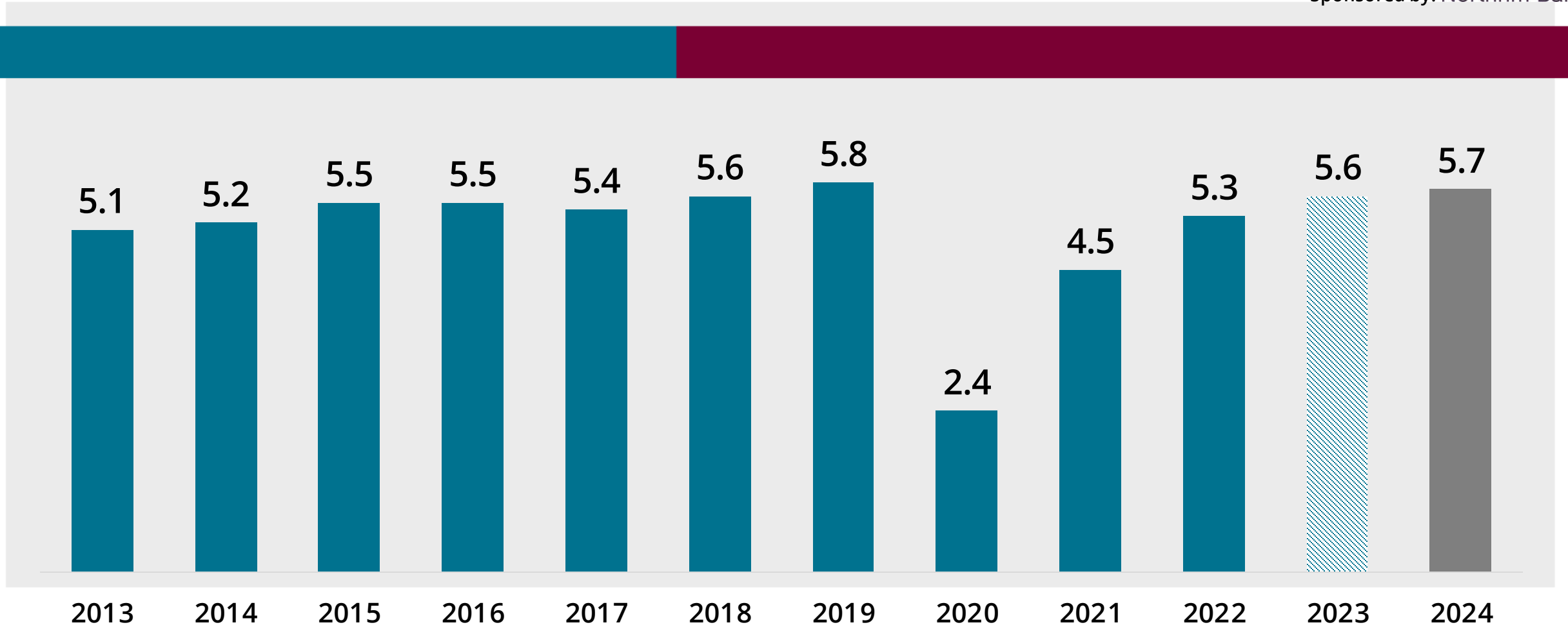
Strong business travel in convention and meeting attendance.



Air Passenger Volumes (Millions)

2024 Forecast: Air passenger volume will continue to recover from pandemic-era lows and non-cruise related visitor volumes may stabilize as the post-pandemic travel boom stabilizes.

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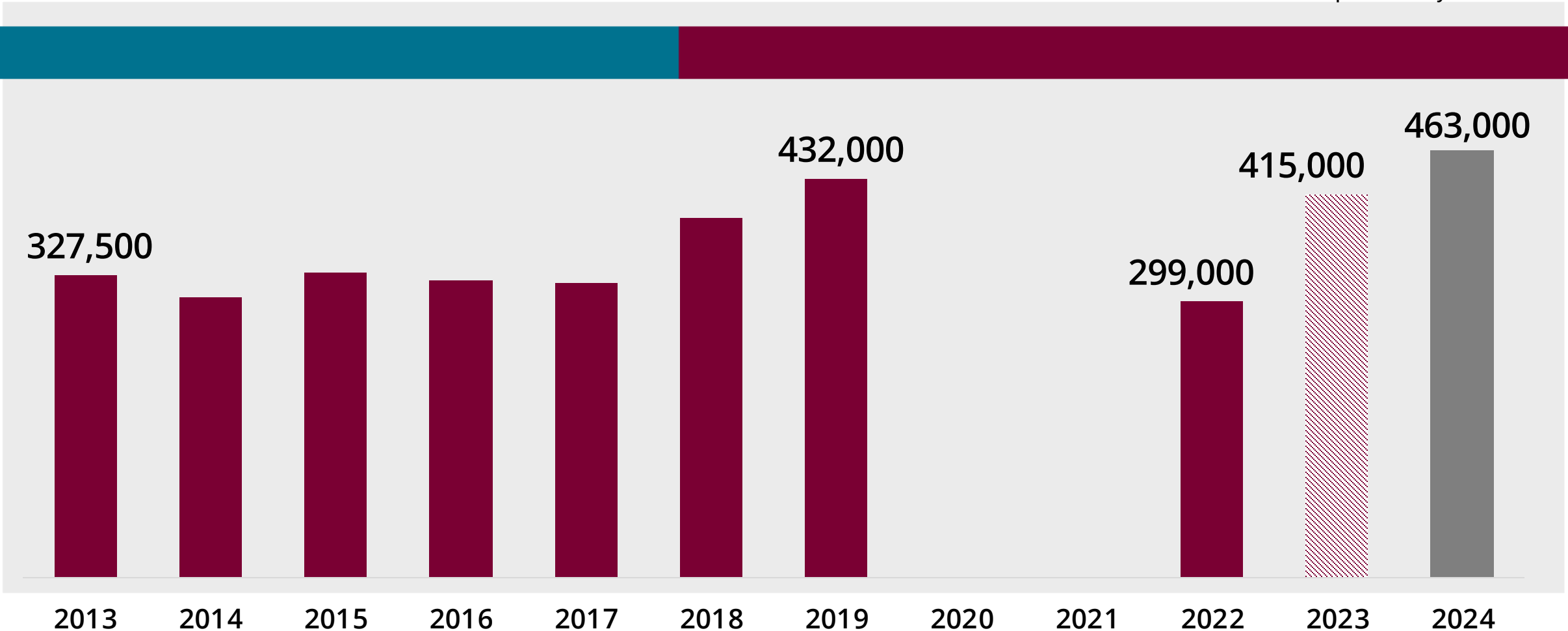




Cross-Gulf Cruise Ship Passengers

2024 Forecast: Cross-gulf cruise ship passenger volume is expected to increase by 12% in 2024 as cruise lines plan to increase capacity beyond pre-pandemic visitation levels.

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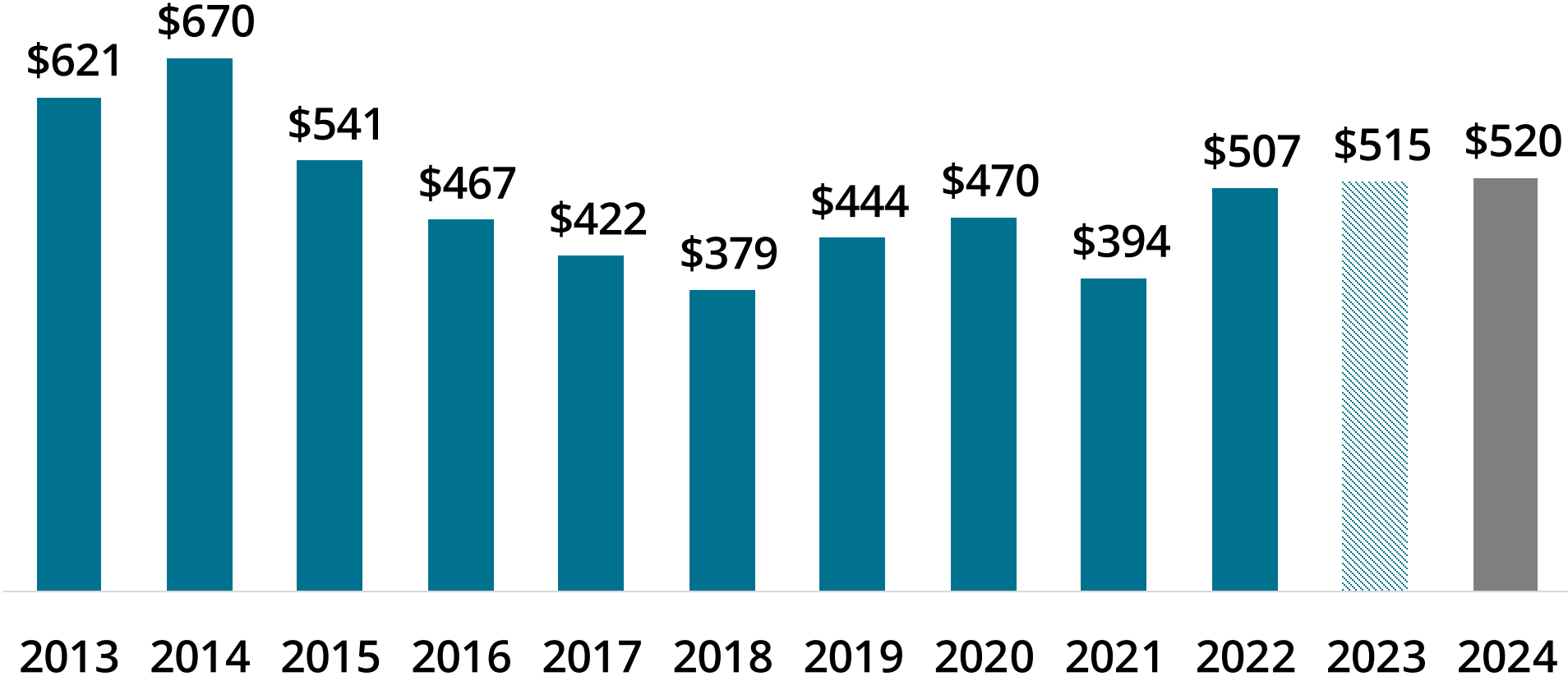


CONSTRUCTION INDUSTRY

(Photo Rendering: Anchorage Community Development Authority)

(Photo Rendering: Block 41, Peach Holdings)

Building Permit Values (\$Millions)



2024 FORECAST

Building permits will increase slightly, despite facing downward pressure from high interest rates, material prices, and labor shortages.

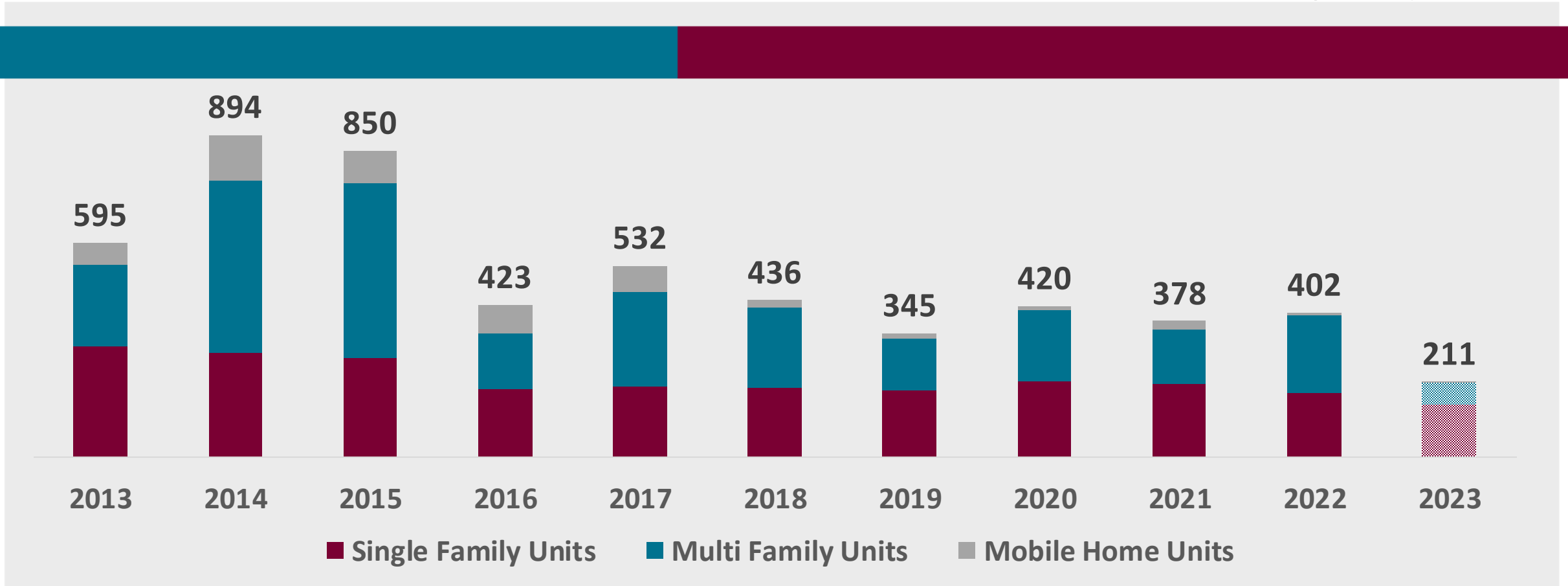


New Housing Units Built in Anchorage, by Type

Anchorage must build more housing to keep pace with demand and offer housing options to the new workforce that we must attract.

Average 2023 home price in Anchorage: \$481,181

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THE BIG PICTURE

Anchorage must invest in itself to remain a place worth choosing over another US city, in a fierce national competition for workforce.



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Employment will grow in 2024.

- Anchorage has ~2 jobs for every one person seeking work
- Unemployment has remained historically low for two years at 3.3%

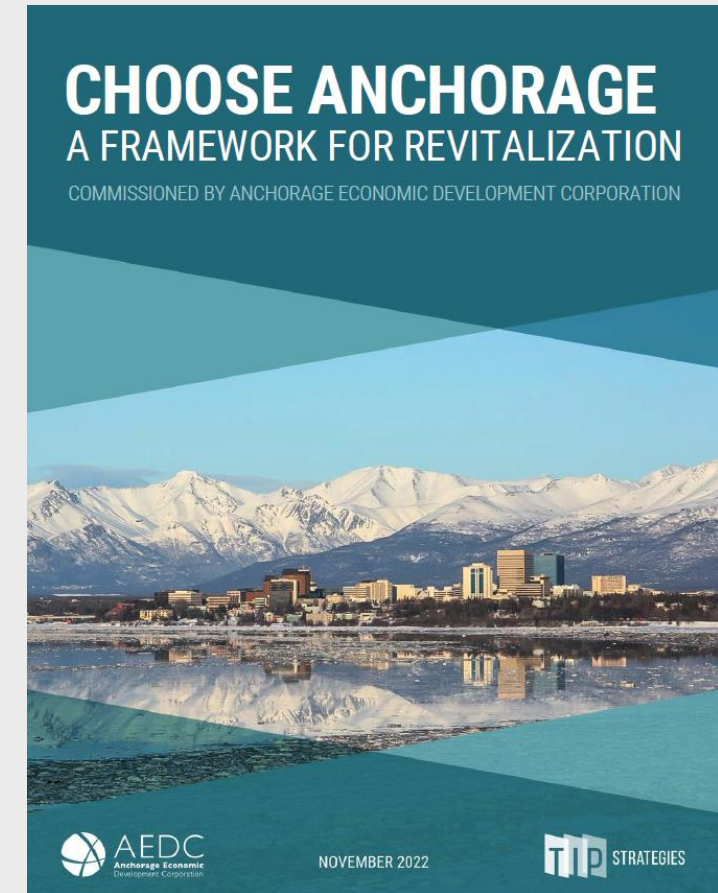
Billions of incoming dollars will stimulate economy with new jobs.

- Infrastructure Investment and Jobs Act
- ConocoPhillips Willow Project
- Santos Pikka Project

A reduction in Anchorage's working age adult population will be the limiting factor to our economic growth.

CHOOSE ANCHORAGE

A 10-year framework for revitalization built from qualitative research and quantitative data, focused on four economic pillars that are vital for growth and embracing emerging market opportunities.



THANK YOU!

2024 Economic
Forecast Report

-and-

Choose Anchorage
Strategic Plan

can be downloaded at
www.AEDCweb.com

