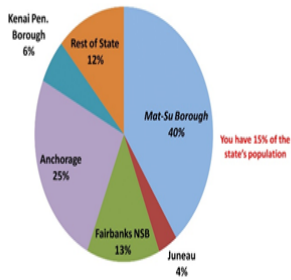


The Valley Builds The Largest Share of New Homes In The State In-2020



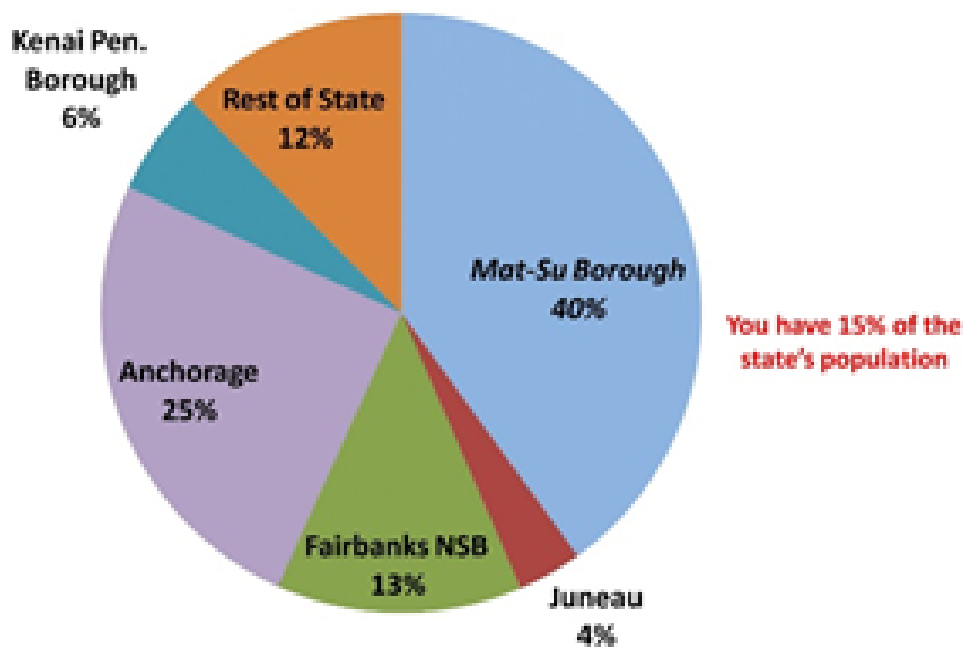
Quality of Life in the MatSu Valley

Description

Alaska's Economy Now

(2021©donnliston.co)

The Valley Builds The Largest Share of New Homes In The State In-2020



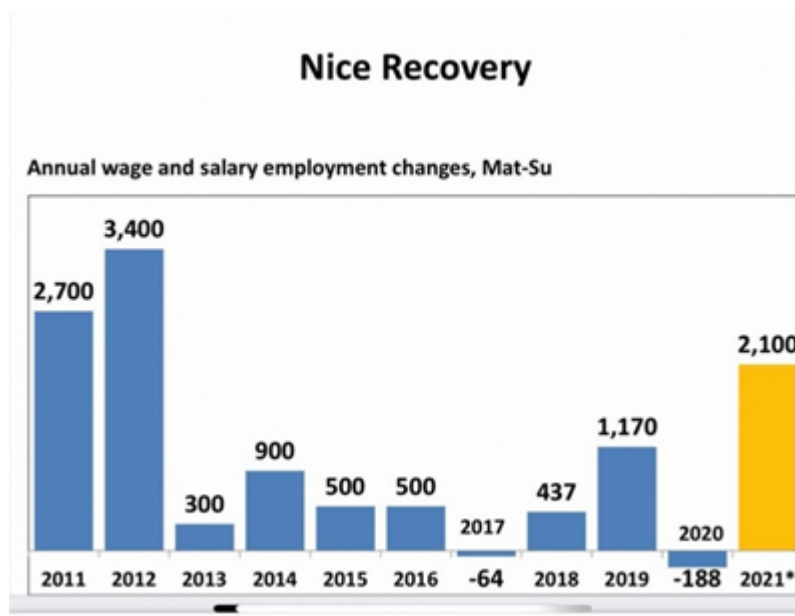
Edna DeVries was elected mayor of the *MatSu Borough* November 2 and will take over as chief executive of the most economically vibrant region of Alaska.



Edna DeVries, Mayor of MatSu Borough

.As a precursor to the election on October 20 [redacted] **Department of Labor and Workforce Development (AKLWD)** Economist, **Neal Fried**, presented his annual overview of the MatSu economy to my *Susitna Rotary Club*.

Fried's assessment was optimistic.



Must Read Alaska presented a very good overview of these election results on November 3: [Election results: Conservatives sweep Mat-Su Valley elections for a mandate – Must Read Alaska](#)

I wrote about Fried's previous popular presentation, in October of 2020, when it was mostly a review of the devastating economic results of the Covid Virus. That story provides perspective given continued upward economic trajectory of the MatSu area since then.[1]



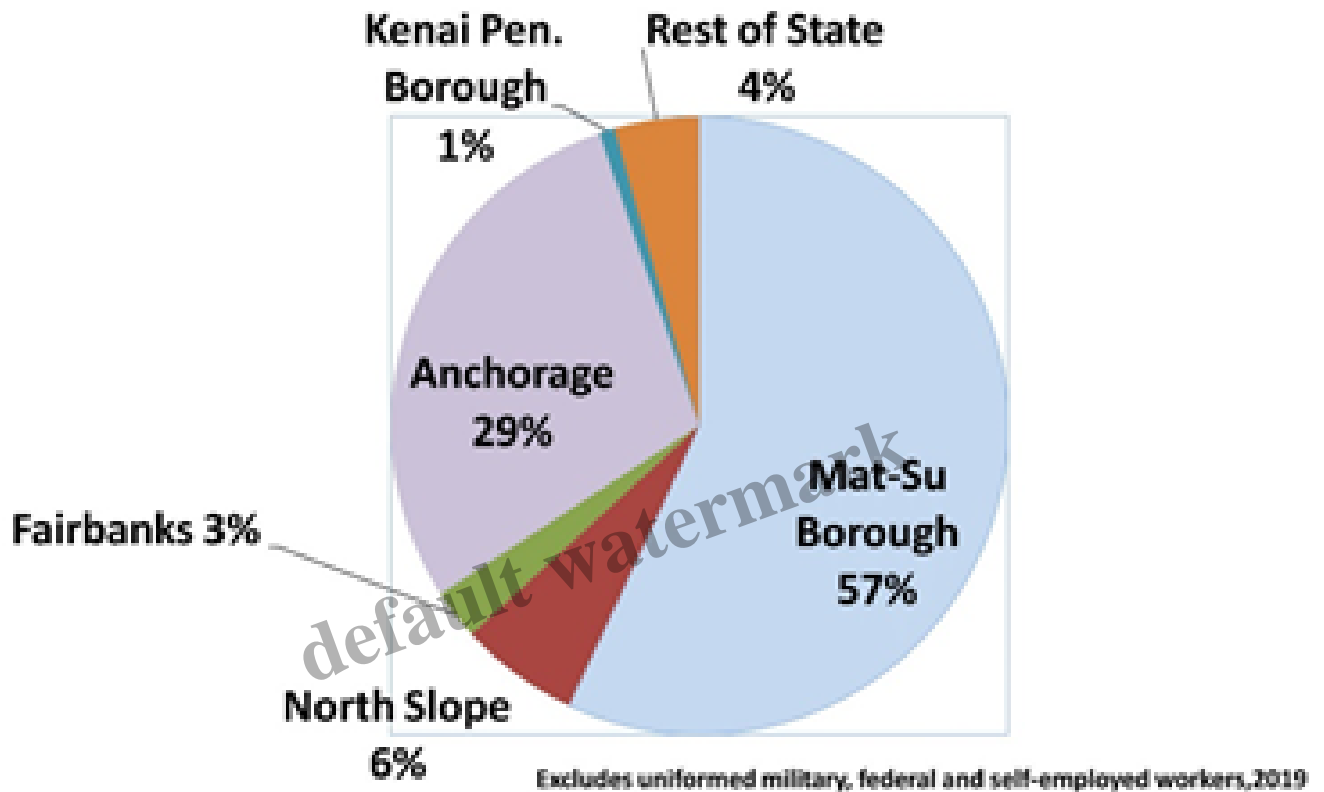
Read about MatSu Food Bank here: <https://donnliston.net/2021/07/feeding-alaskans-in-mat-su.html>

By contrast, the *Municipality of Anchorage Assembly* further depresses the economy with aggressive denial of the voter's will—demonstrated by electing **David Bronson** as Mayor—with continued lockdowns, and soap opera fear mongering at assembly meeting spectacles. I have also written about this contrast between valley and Anchorage approaches to Covid mitigation.[2]

So, smart money is moving to the valley.

According to statistics from *AKLWD*, nearly 60 percent of Alaskans who live in the MatSu Valley also work at jobs there, with 30 percent of valley residents working in Anchorage. This writer has driven this commute going the opposite direction of Valley-to-Anchorage cars during rush hours over more than four years. In mornings and evenings I saw a steady and continuous line of traffic.

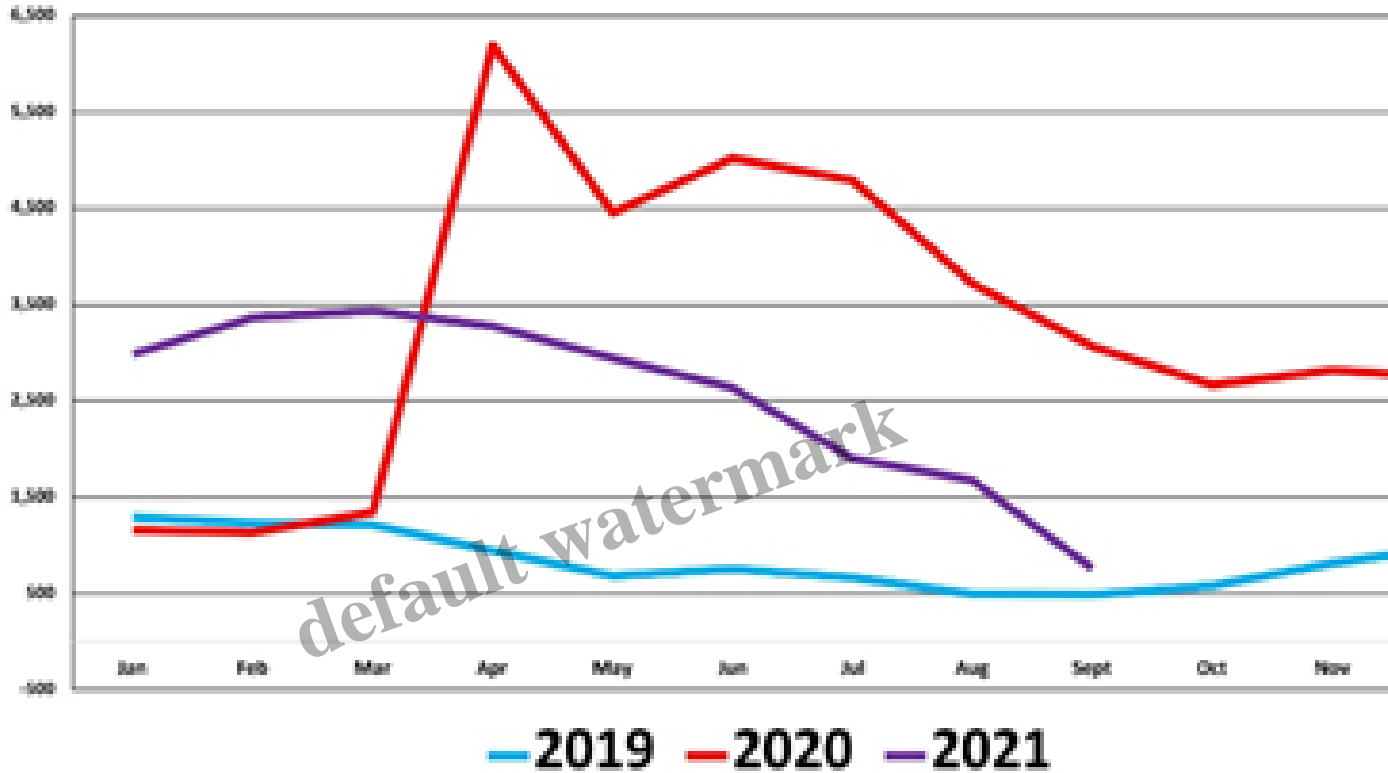
Where Mat-Su Residents Work—May Have Changed This Last Year



The profile of where Mat-Valley residents work has not changed much over last year's *AKLWD* findings, but unemployment claims have declined.

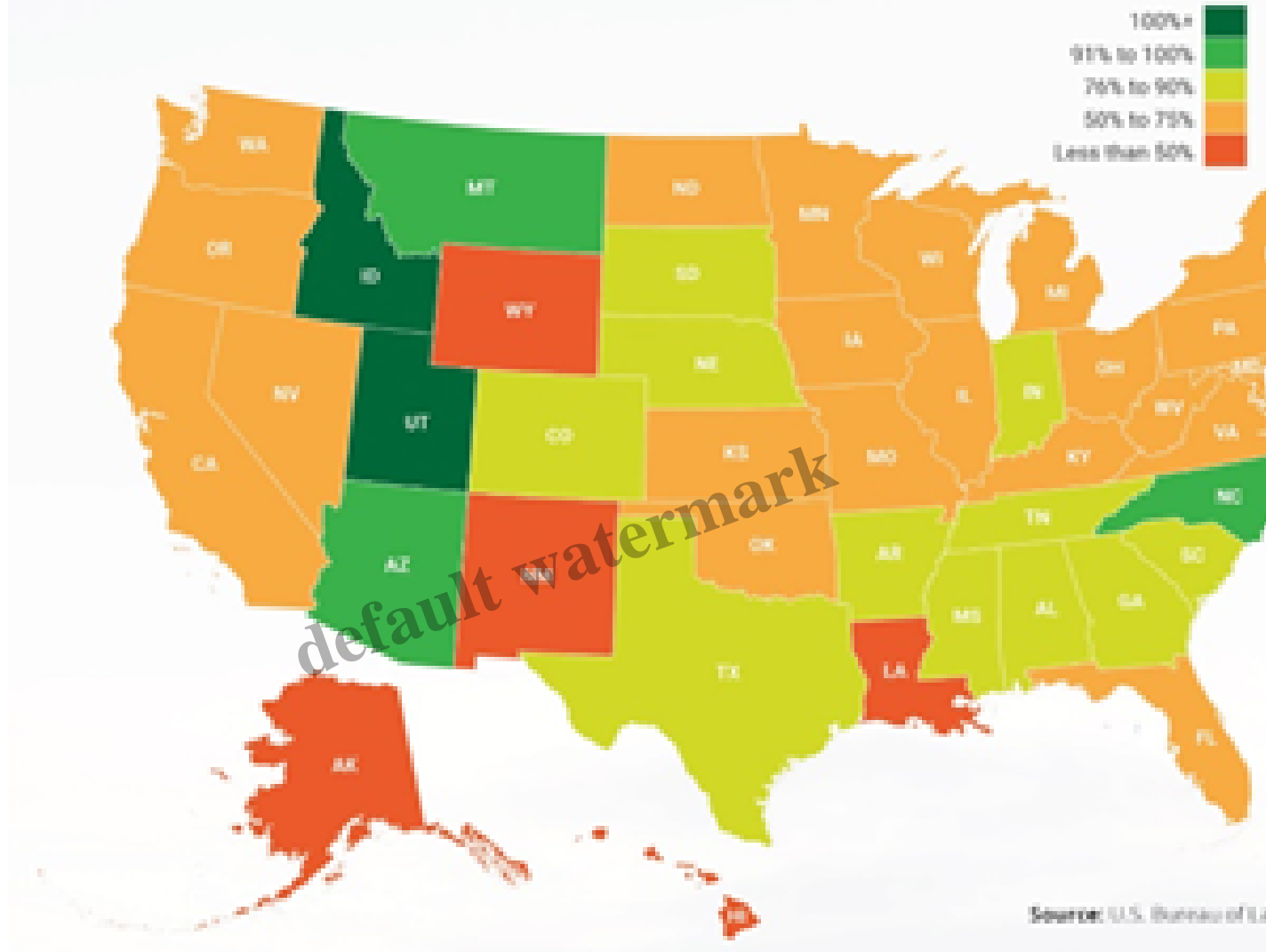
People in the valley are working!

Mat-Su Unemployment Claims Have Fallen Hard



And, while Alaskans who have year-round jobs are mostly able to retain them, overall we remain among the bottom of states that have recovered economically from the Covid Pandemic. According to Fried we are more similar in our economic profile to Louisiana than any other state.

Percentages of COVID-related job loss that states had recovered a

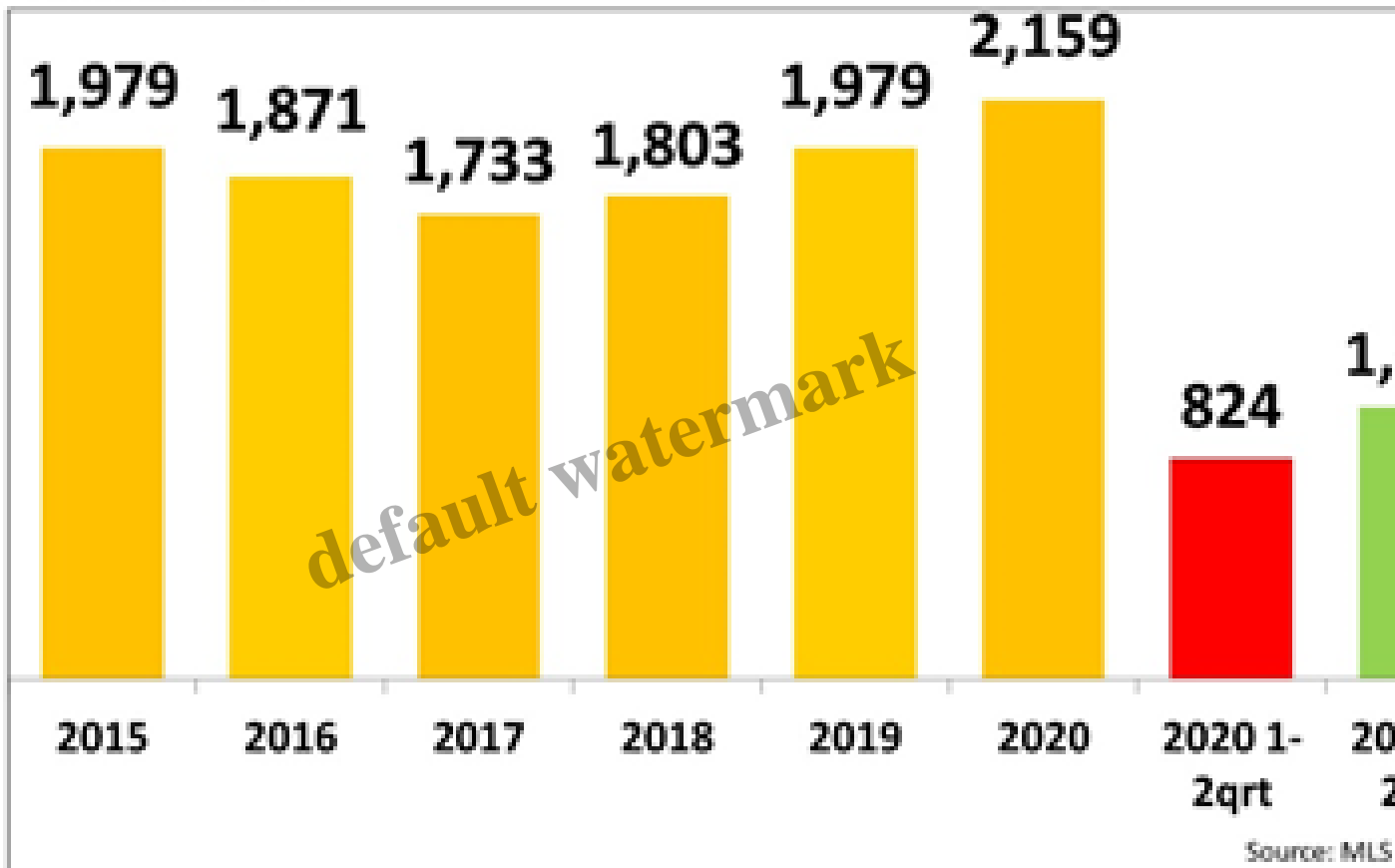


Economic Indicators

One indicator of the strong MatSu Valley economic position is home sales. The first two quarters of 2021 are already approaching the record high levels of 2020.

Record Home Sales In The Valley Still Looking Good

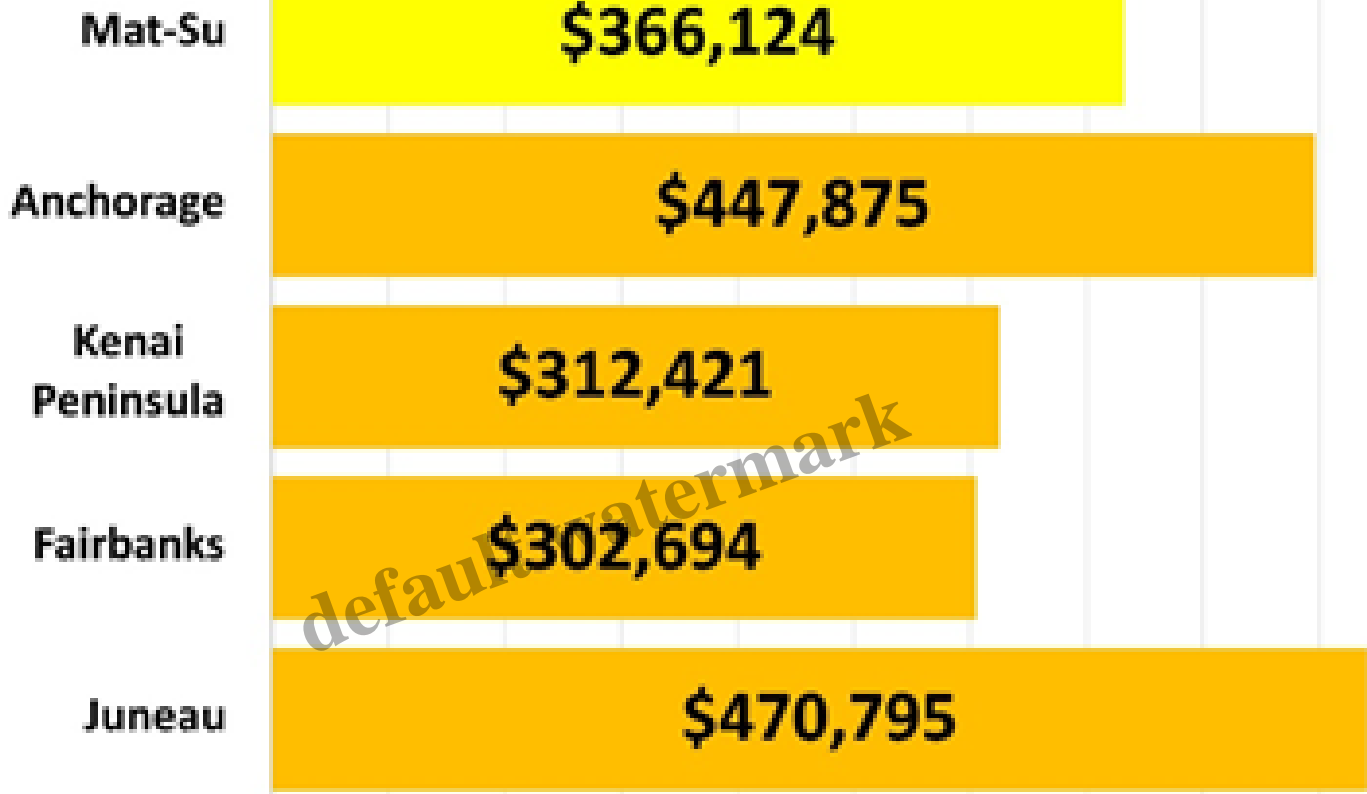
Mat-Su home sales, MLS



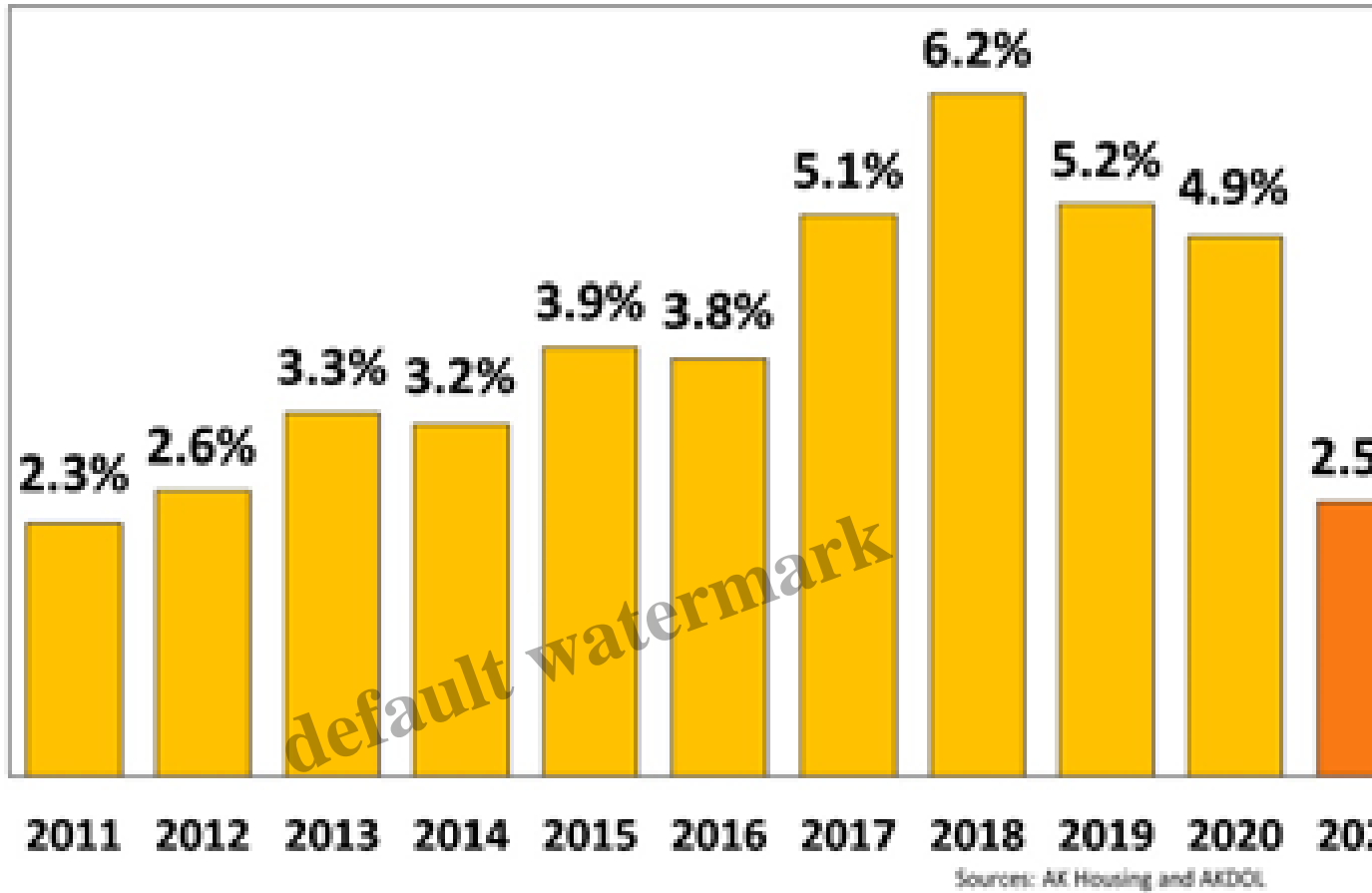
We can also see from this indicator that by having the *State of Alaska* subsidize the Juneau economy with the state capital located there, housing costs are disproportionate from the rest of Alaska. Southeast Alaska continues to lose population, while MatSu attracts residents who cherish the country lifestyle and wholesome community life.

A Pretty Competitive Housing Market

2021-2nd-qtr, Average price of single-family home, MLS

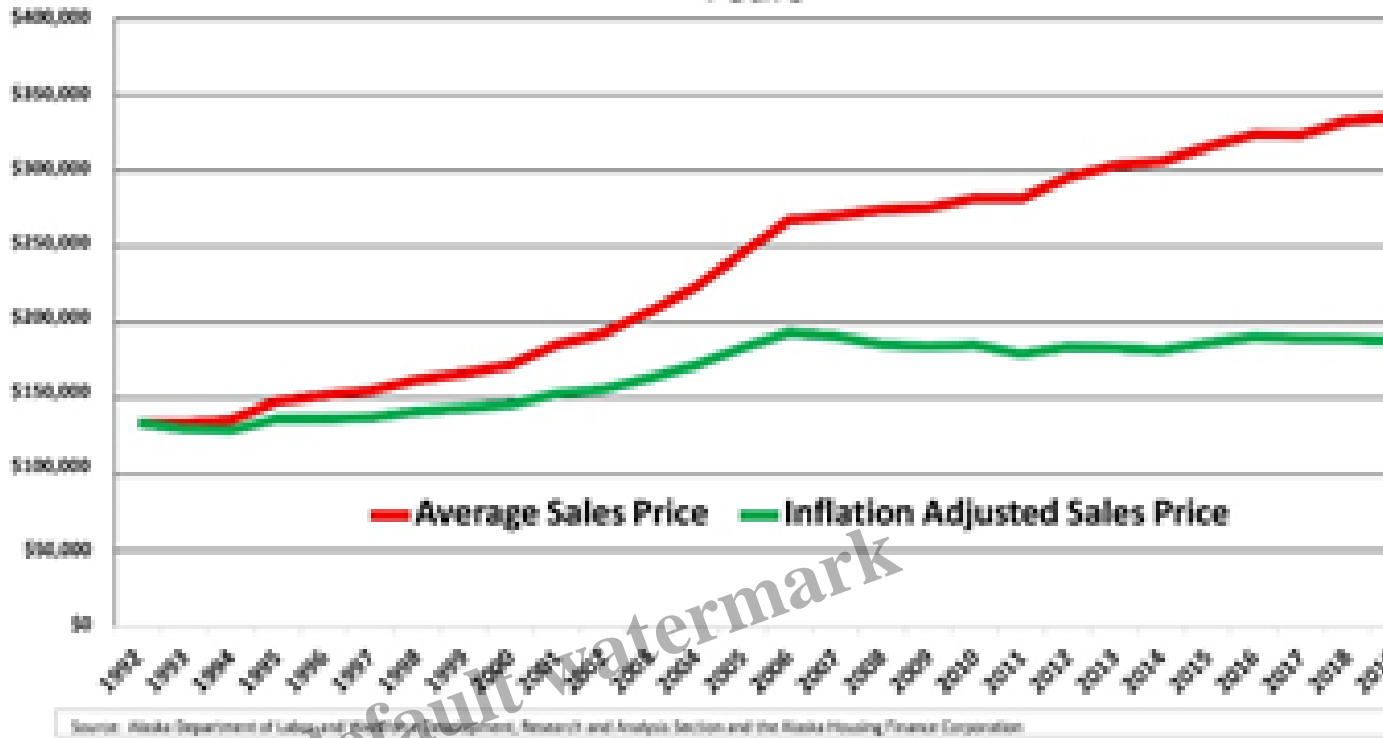


Residential Vacancy Rates Are Trending Upwards Som



Residential Vacancy Rates are trending upward as supply increases ahead of demand. This is how a vibrant economy looks. It has resulted in a drop of residential building permits there from the peak in 2006.

Ak Home Prices Rose In 2020 After A Few Relatively Flat Years



Affordability is also increasing overall.

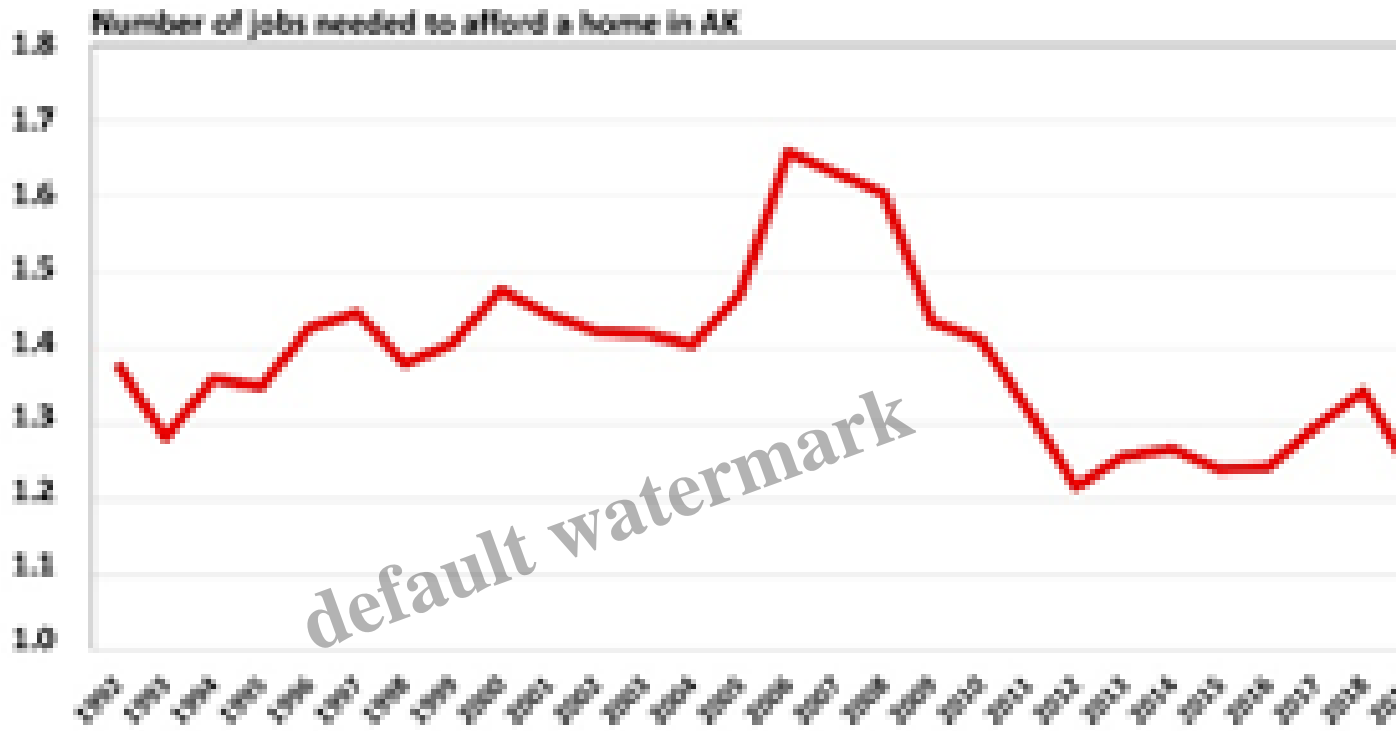
Silver Lining--Housing Has Become More Affordable Despite Rising Prices



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Center and the State Housing Finance Corporation

For those who want to stay in Alaska, however, housing upgrade opportunities exist as the overall market becomes more affordable.

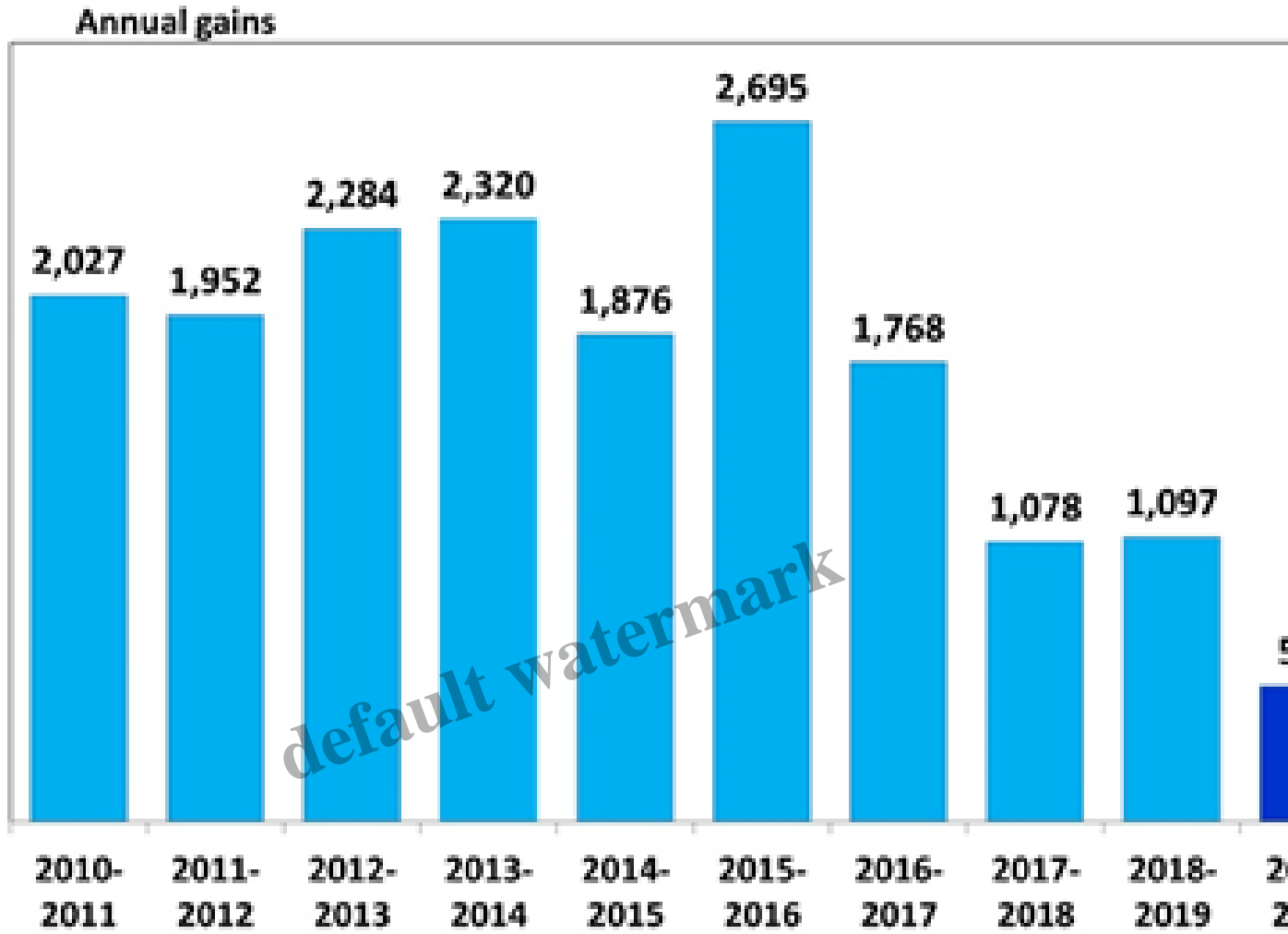
Silver Lining--Housing Has Become More Affordable in Alaska Despite Rising Prices



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and the Alaska Housing Finance Corporation

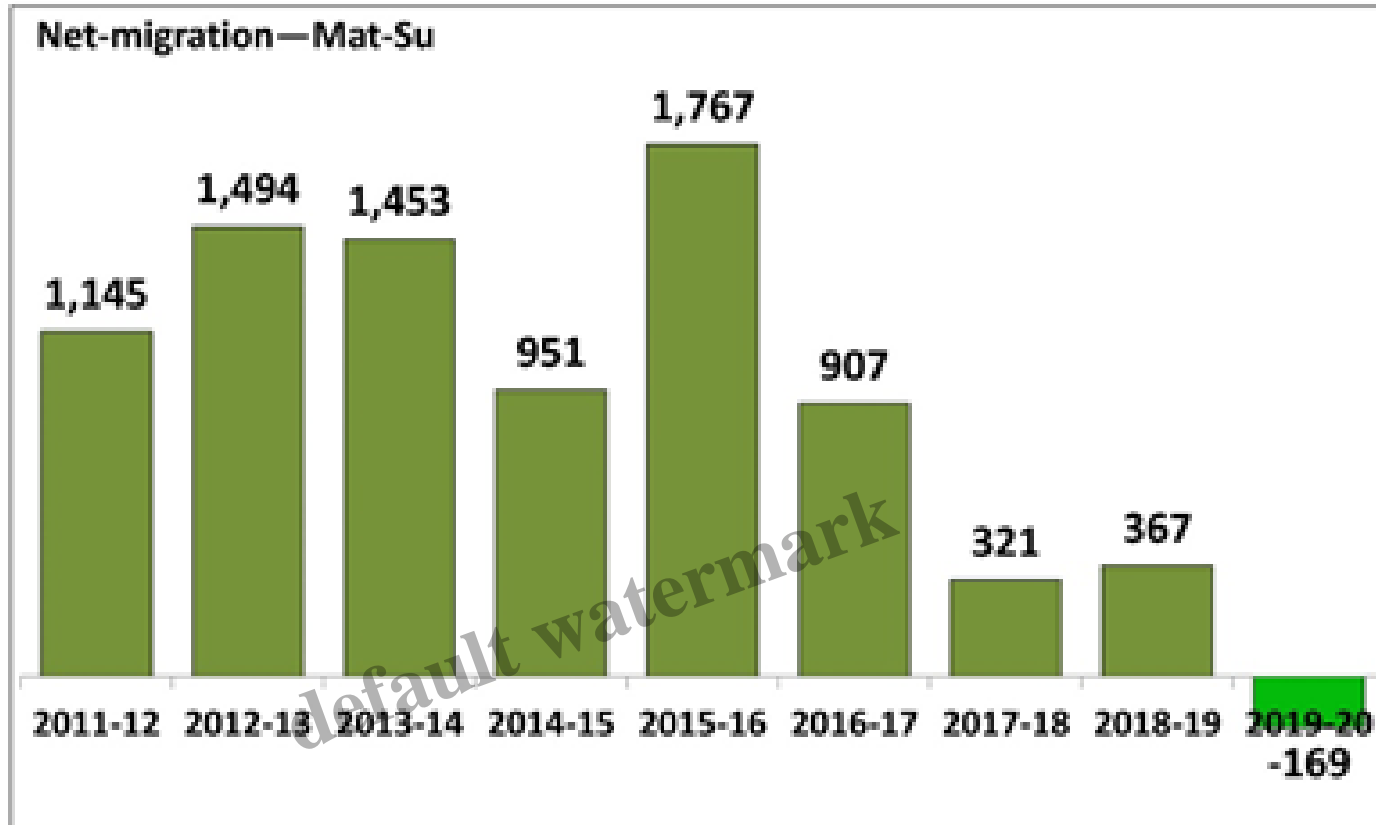
Alaska's population dynamic in the Mat-Su is in constant change.

Mat-Su Population Grew Again In 2020



And although the population is growing, net migration is falling for the first time.

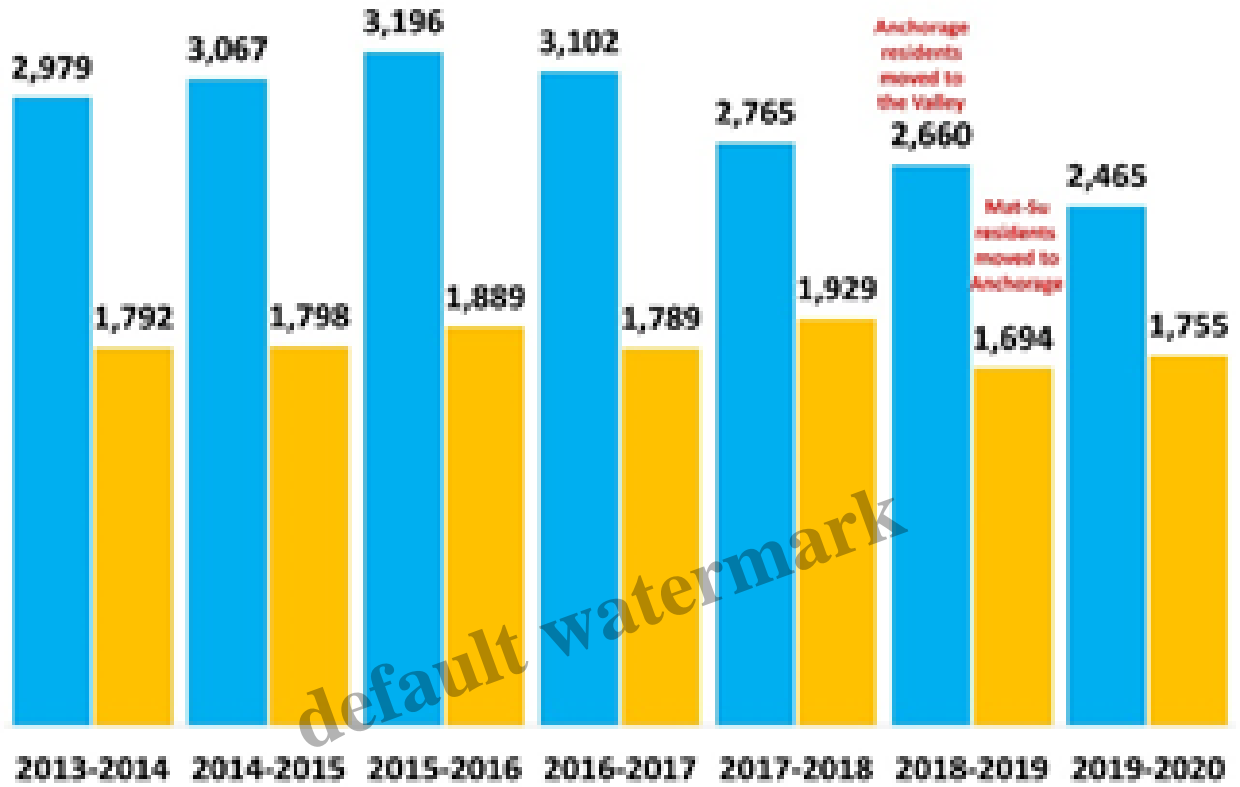
The First Time This Has Happened In A Long Time



Read **Sheldon Air Service** story here: <https://donnliston.net/2021/08/what-would-don-and-roberta-sheldon-have>

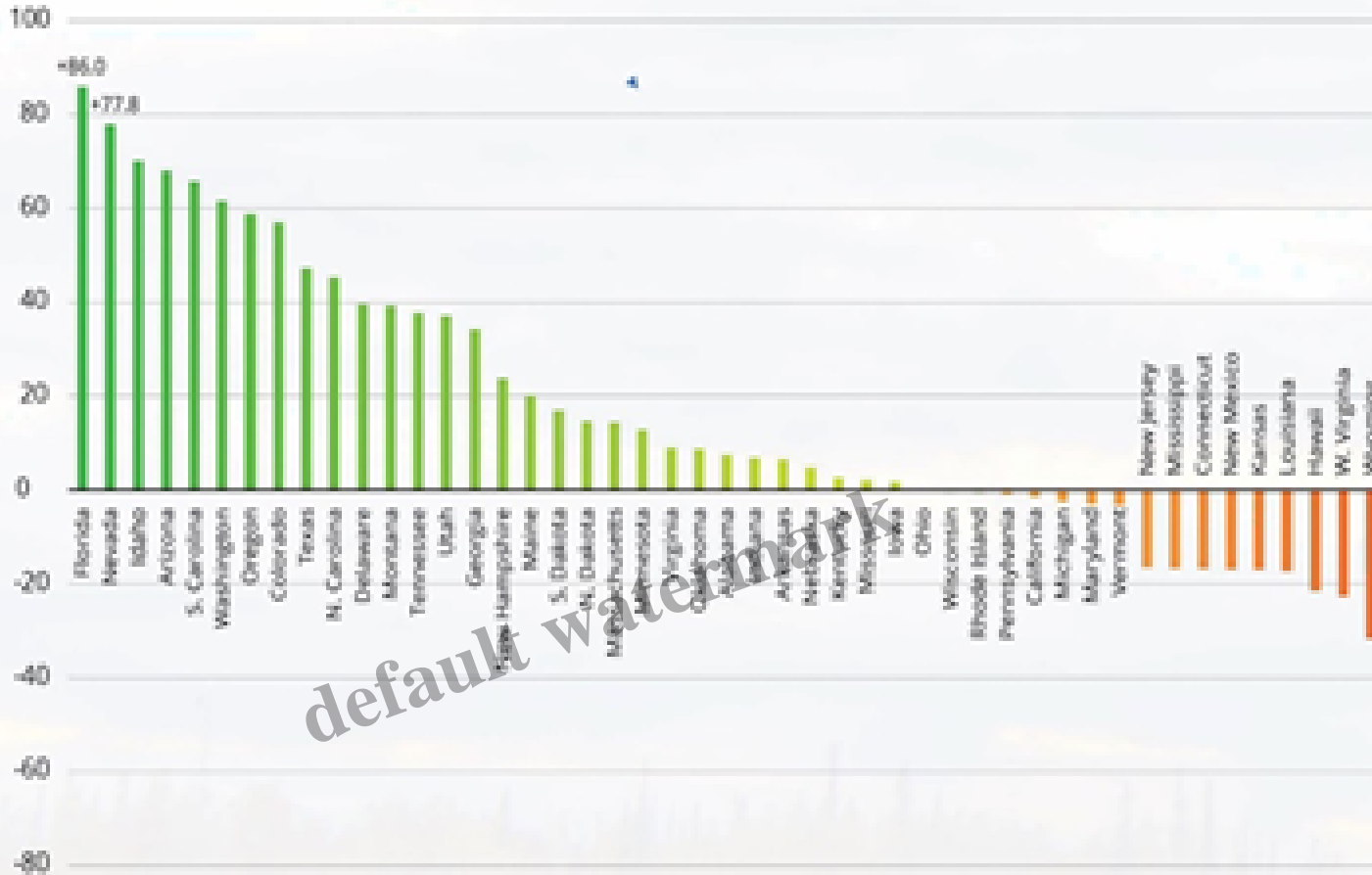
Still Alaskans continue to move from Anchorage to MatSu in greater numbers than those moving from the valley to Anchorage. Obviously, many feel the 30+ mile drive to work each way is worth it.

Mat-Su Net Gainer In Annual Migration Between Anchorage and The N



Overall, people are moving out of Alaska at a greater percentage than people moving out of any state in the nation.

Net migration* per 1,000 in population, 2014 to 2019 by state

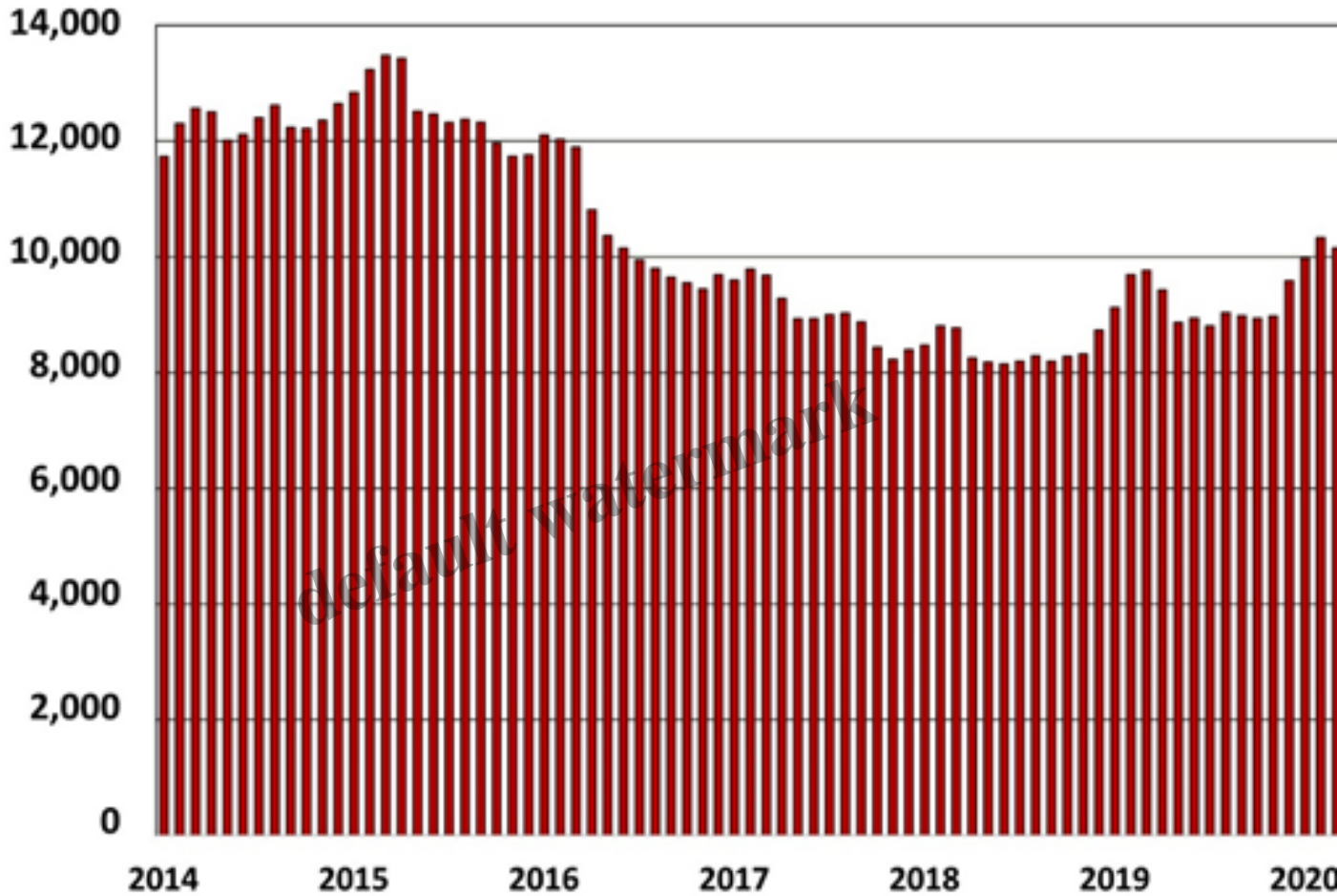


*Net migration is the number of people who moved in minus the number who moved out.
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

One year ago at this time employment on the Prudhoe oil development was holding. It has fallen since then as the price of oil continues to rise. At his presentation last year Fried expressed hope that the price of oil would stabilize at around \$40 per barrel but the November 2020 election and immediate attack on fossil fuels by the **Joe Biden Administration** has caused price to nearly double.

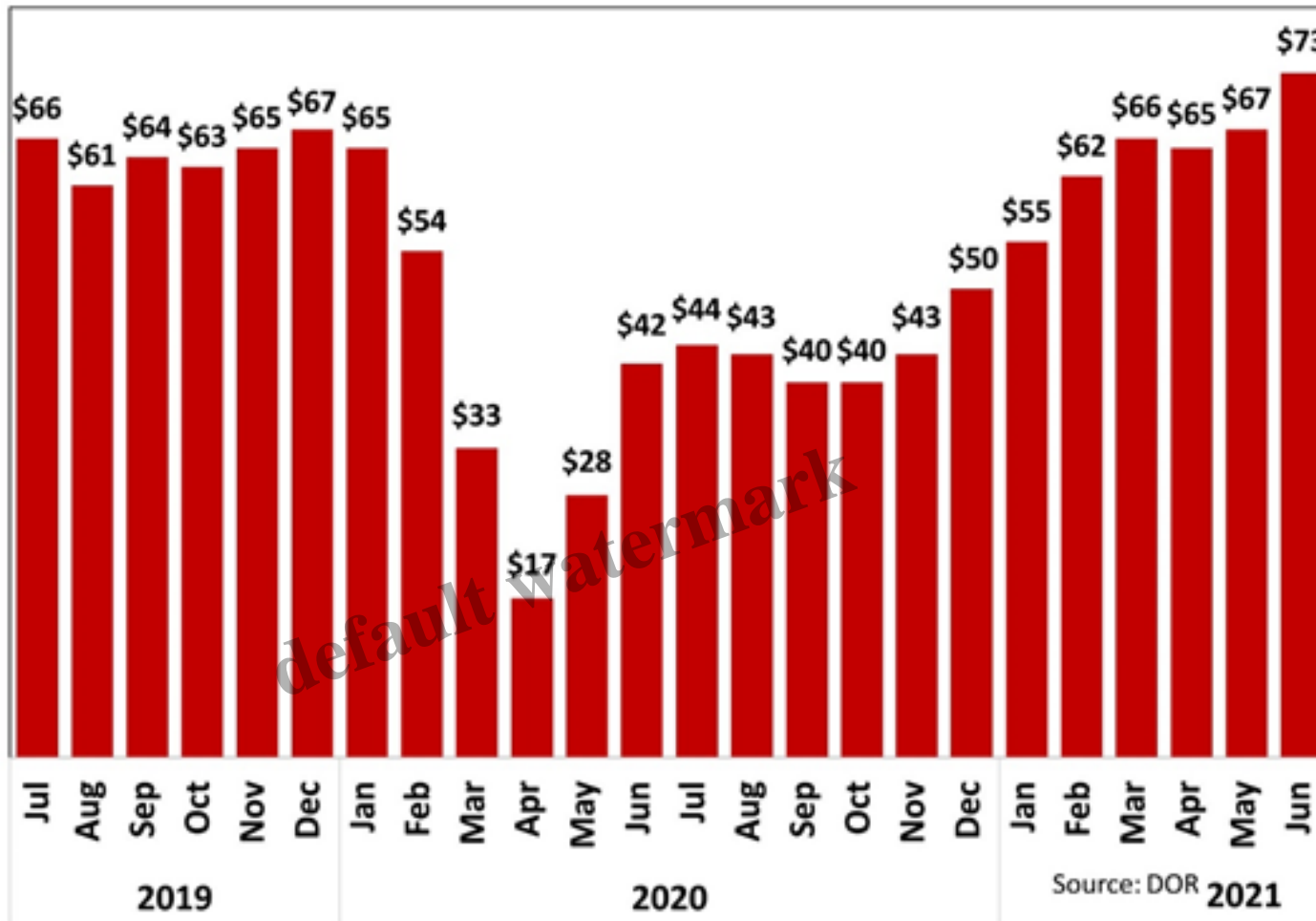
Americans are paying at the pump. Alaska is gaining increasing State income from inflated gas prices.

Prudhoe Employment Falls To 2005 Levels



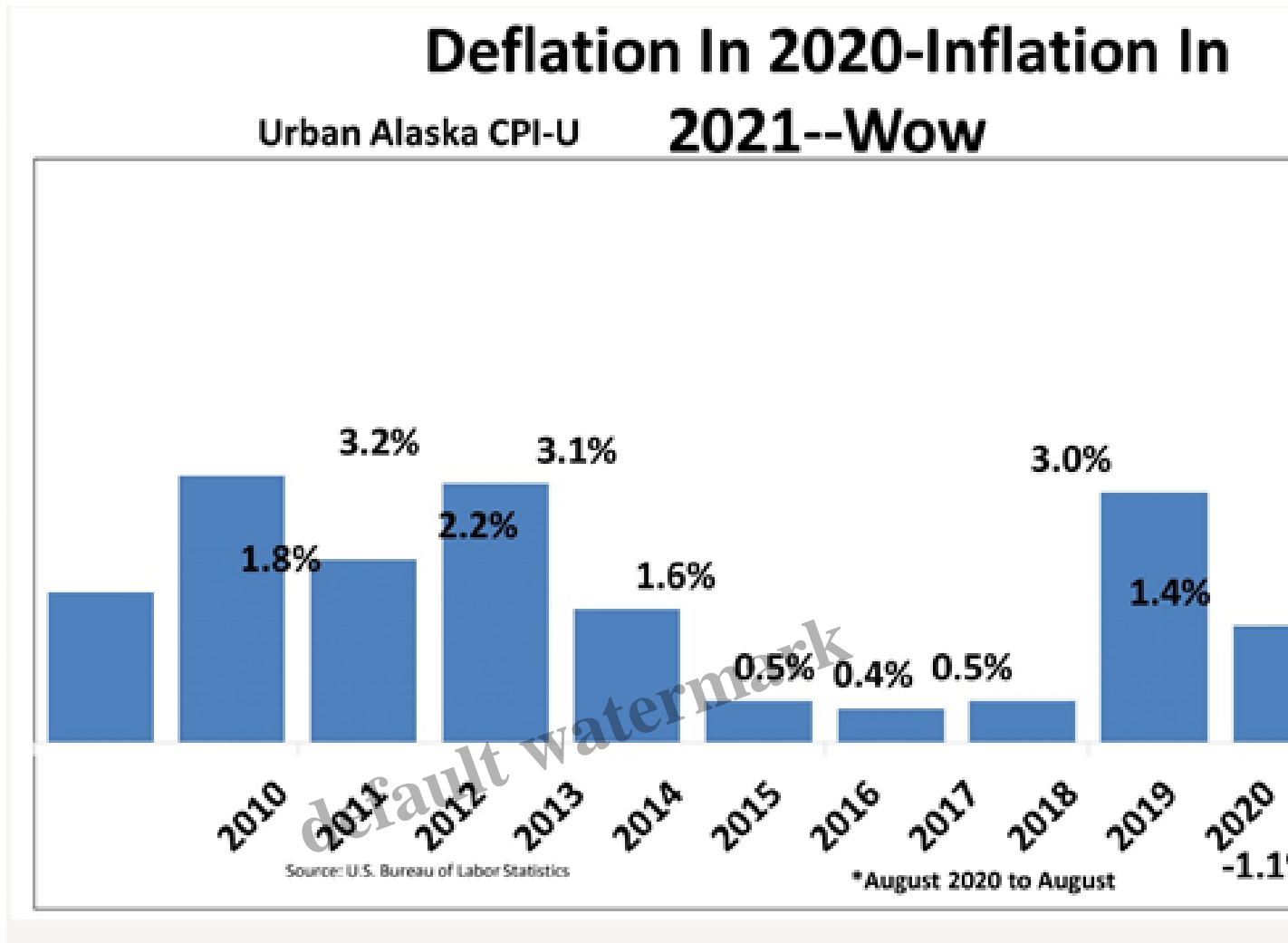
Some are saying our *Permanent Fund* may reach \$100 Billion by the end of the year. That has not stopped elected legislators from trying to minimize *Permanent Fund Dividend* payments to pay for more government. As the price of oil continues to go up the arguments against statutory PFD Payments become harder to make.

Nice Recovery In Oil Prices



Alaskans understand what it is like to live in an inflated economy. Transportation costs impact everything we buy from other states and abroad. But result of this political whiplash has been dramatic for Alaska. Deflation in 2020 bounced back to 5.7 percent **inflation** to our economy.

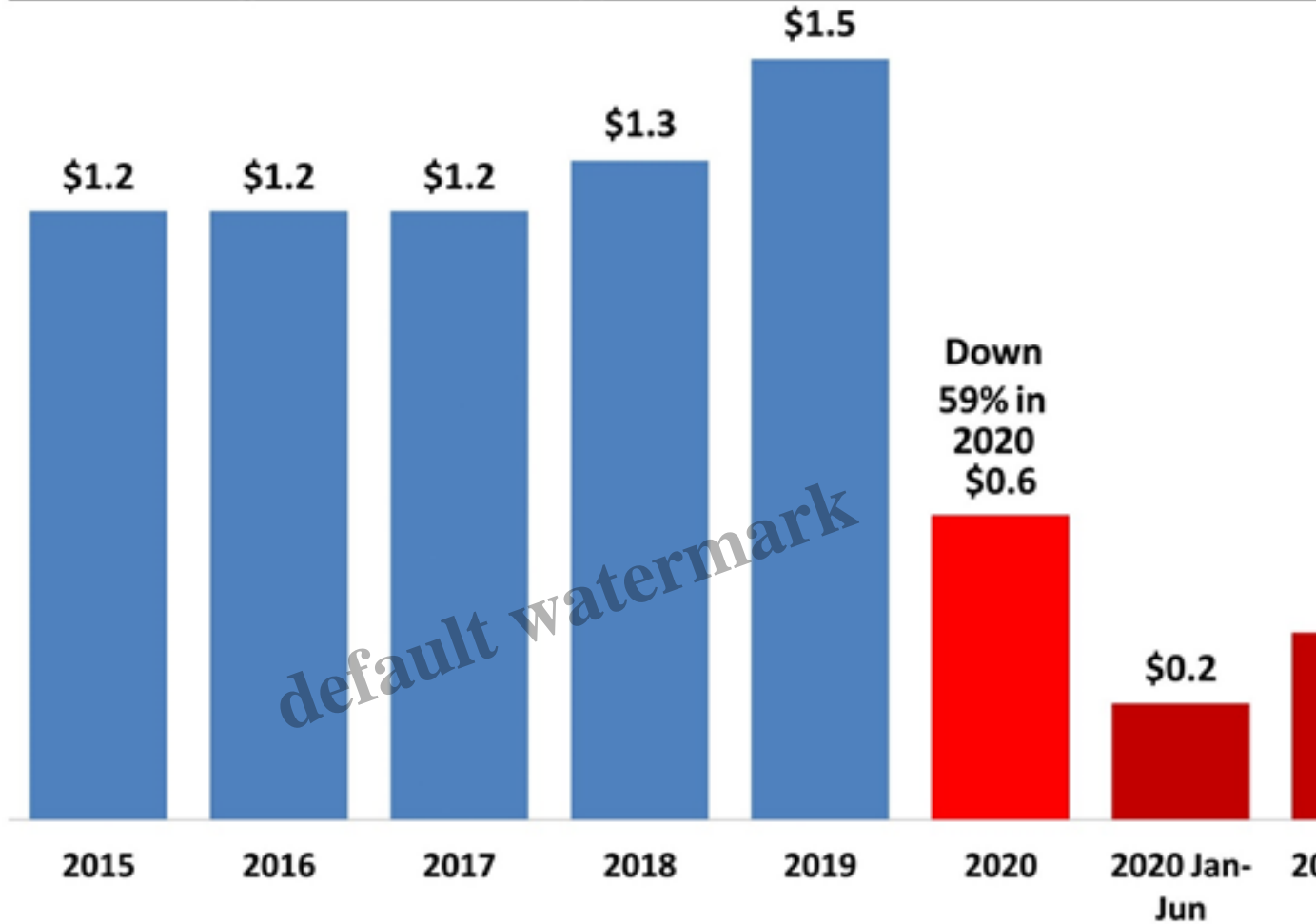
Everything is becoming more expensive.



Of course, our Covid-anemic tourism industry is something dangled as a hopeful potential.

Tourism Looking Better In 2021

Mat-Su Borough bed tax revenues CY, \$millions



Alaska is losing population.



Our Alaska economy is fragile. As the economic epicenter of the state, MatSu Valley voters have elected a strong conservative delegation and expect elected officials to follow the law and minimize gamesmanship in Juneau.

The games in Juneau have become too expensive.

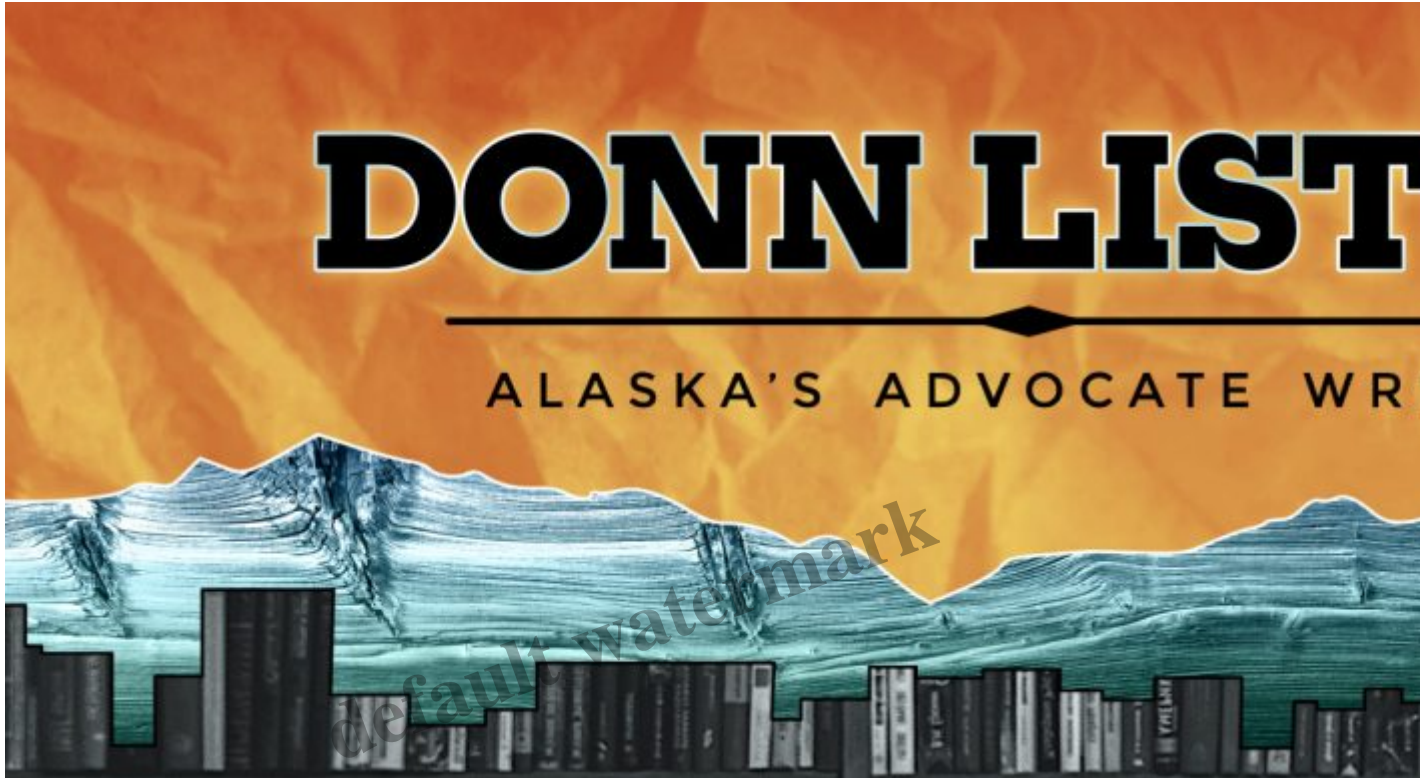
References:

[1] Our Economic Sweet Spot: The Mat-Su Valley

[Alaska's Economic Sweet Spot](#)

[2] Alaska's Pandemic Battle

<https://donnliston.net/2021/02/ship-of-fools-fights-covid-19-at>



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