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Alaska Rotary



SEPTEMBER 24, 2020

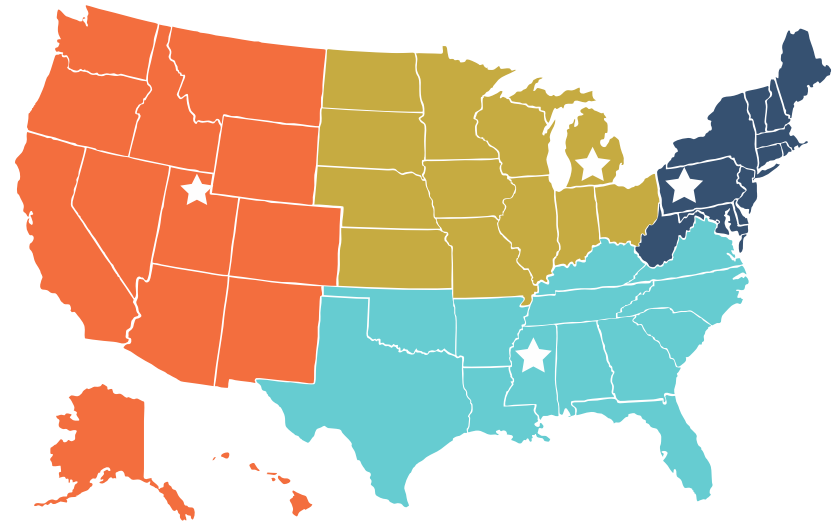
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## REGIONAL RURAL DEVELOPMENT CENTERS work regionally to build national capacity.

### Western Rural Development Center works:

- As a regional catalyst for capacity building in the West;
- To promote the excellence in research, education, and Extension;
- To enhance the economic well-being of rural communities and residents.



**Western Rural Development Center**  
Utah State University

**North Central Regional Center for Rural Development**  
Michigan State University

**Southern Rural Development Center**  
Mississippi State University

**Northeast Regional Center for Rural Development**  
Pennsylvania State University

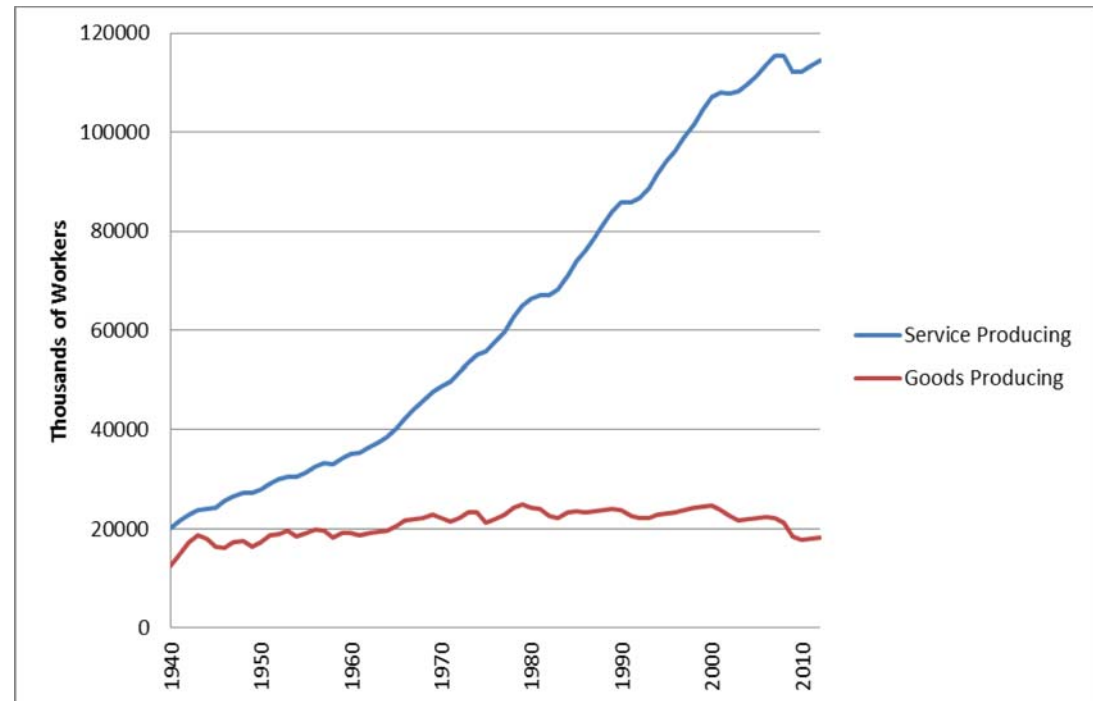
# The economy is changing



## Overview

### National and International Trends

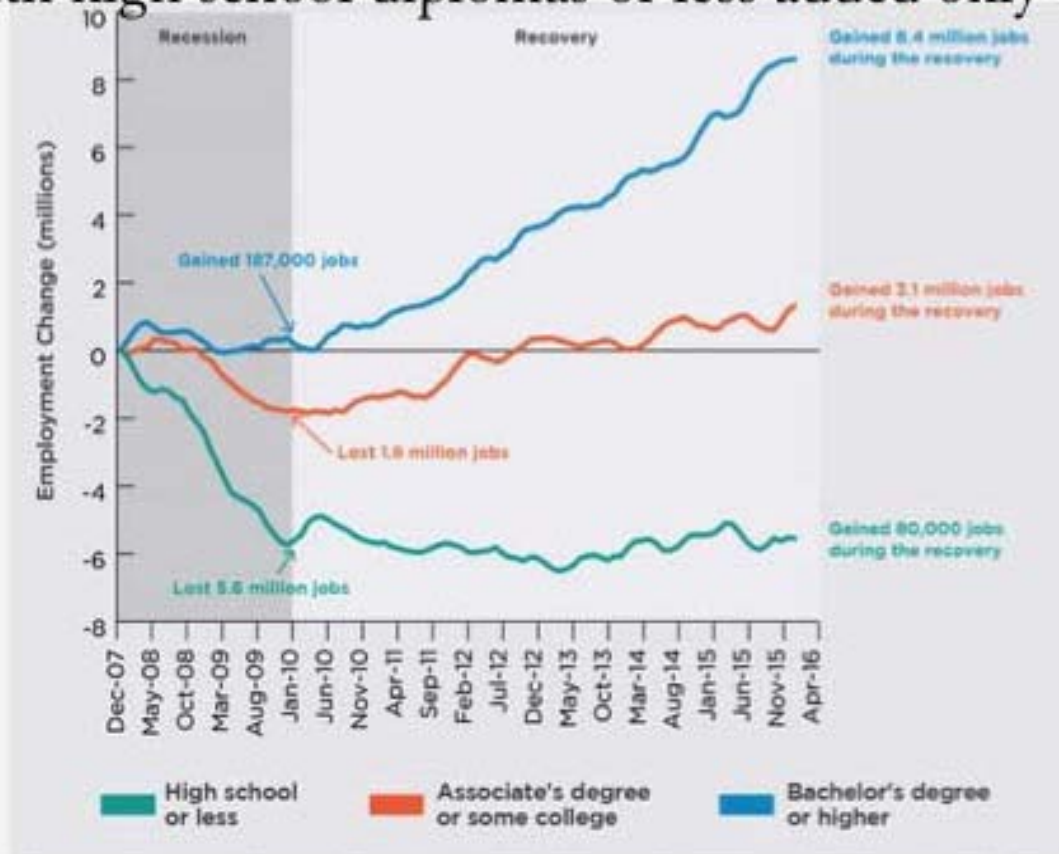
- Employment in Goods-Producing sectors has been flat for 70 years
- Employment in Service-Producing sectors has increased by more than 500% since 1940.

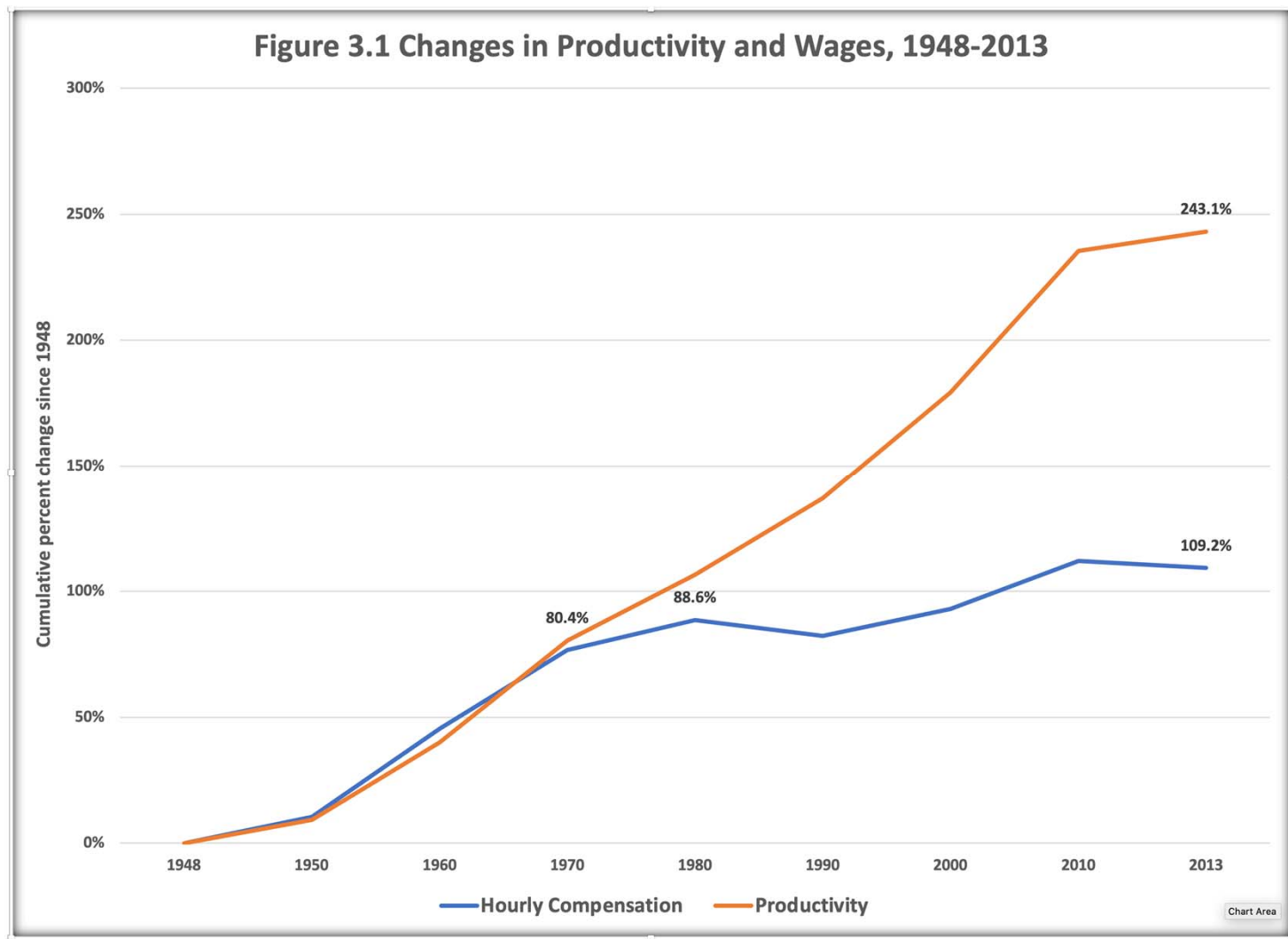


National Employment between Goods-Producing and Service-Producing Sectors, 1940 to 2013.

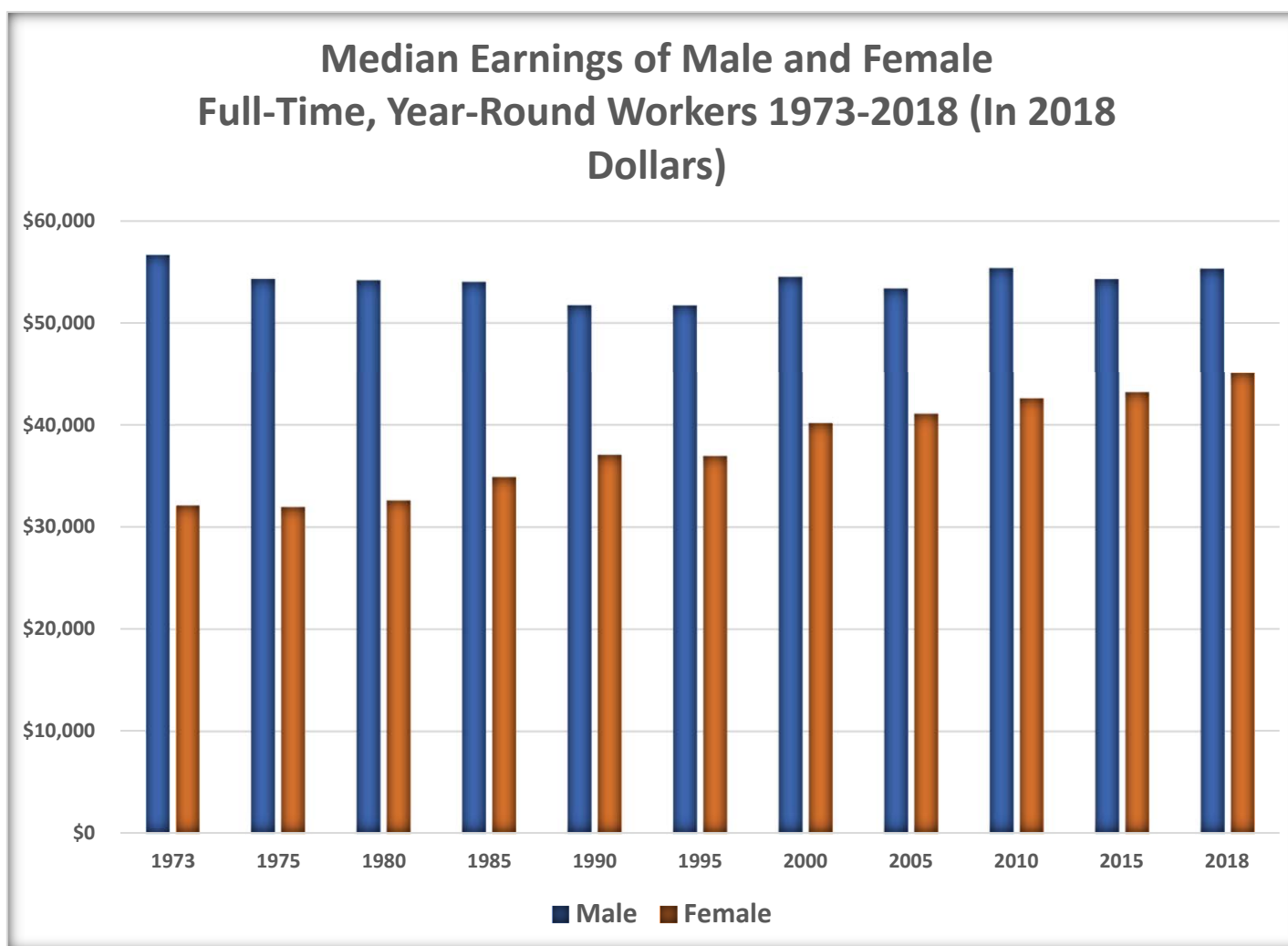
# WRDC Shifting Economics and Demographics

Workers with a Bachelor's degree have added 8.4 million jobs, but workers with high school diplomas or less added only 80,000 jobs

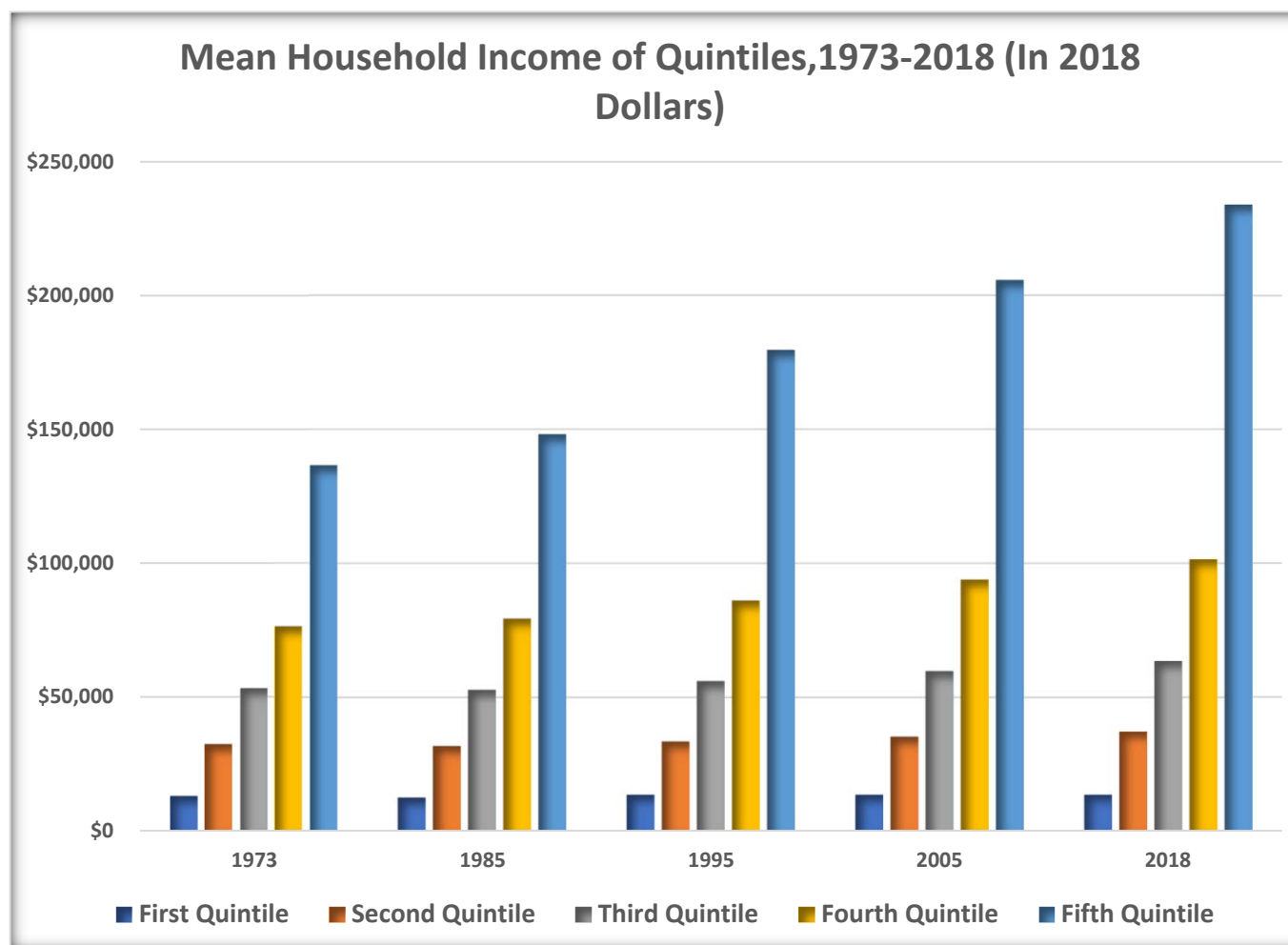




# MEDIAN EARNINGS Full Time, Year Round

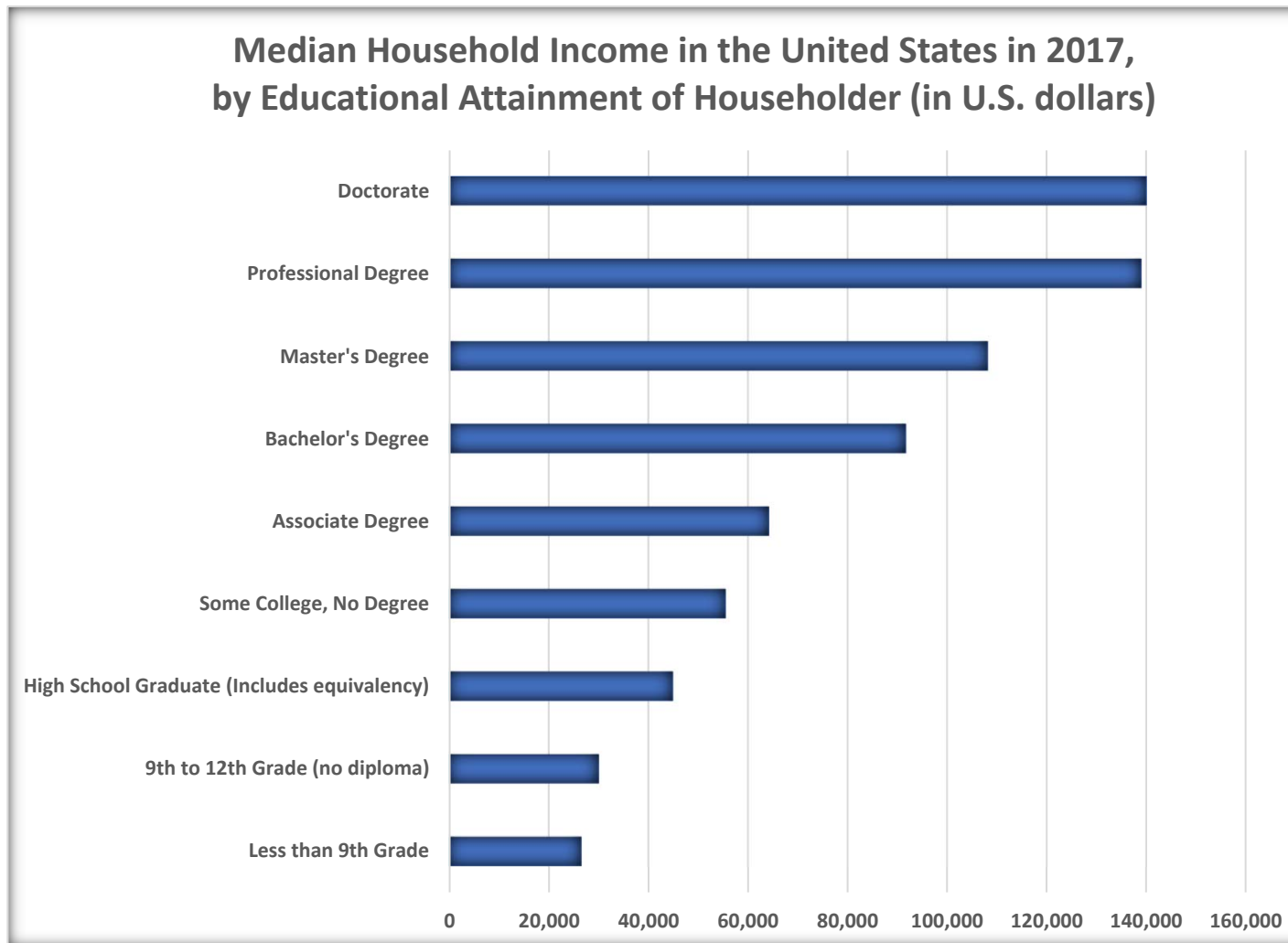


# INCOME 1973-2018

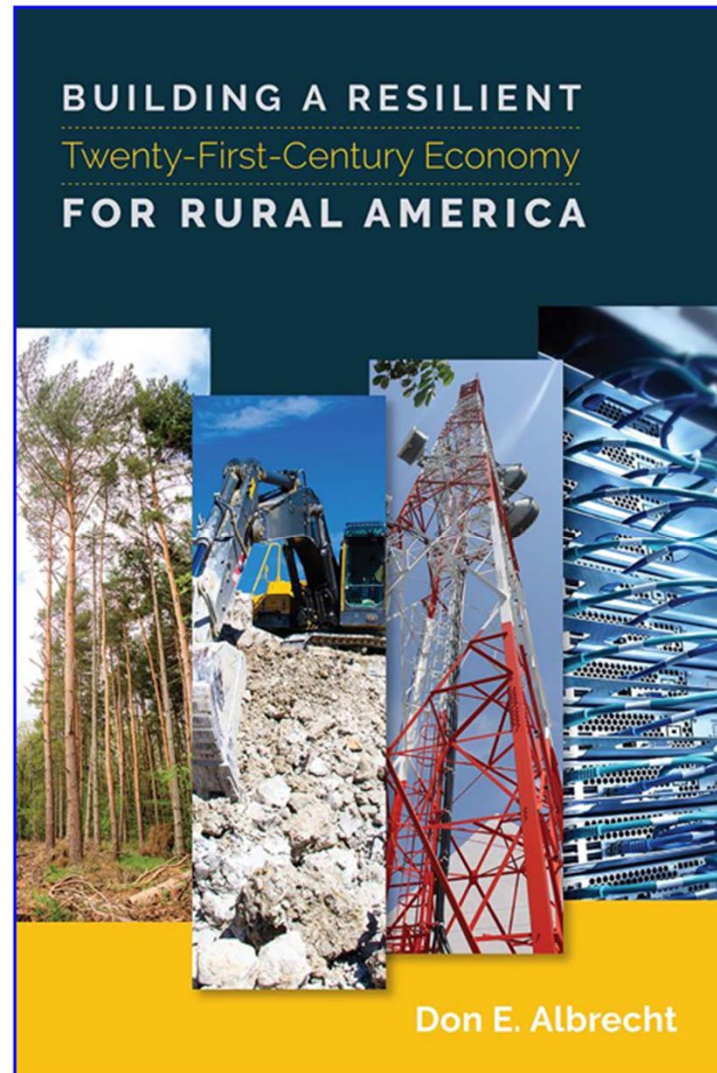




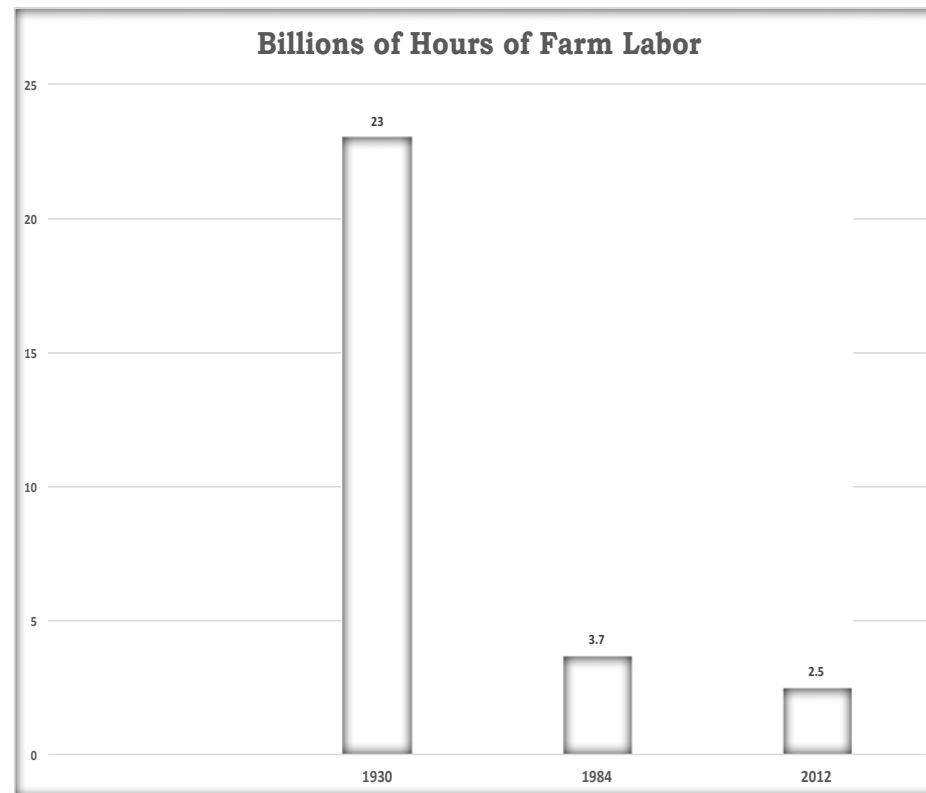
# INCOME by Education



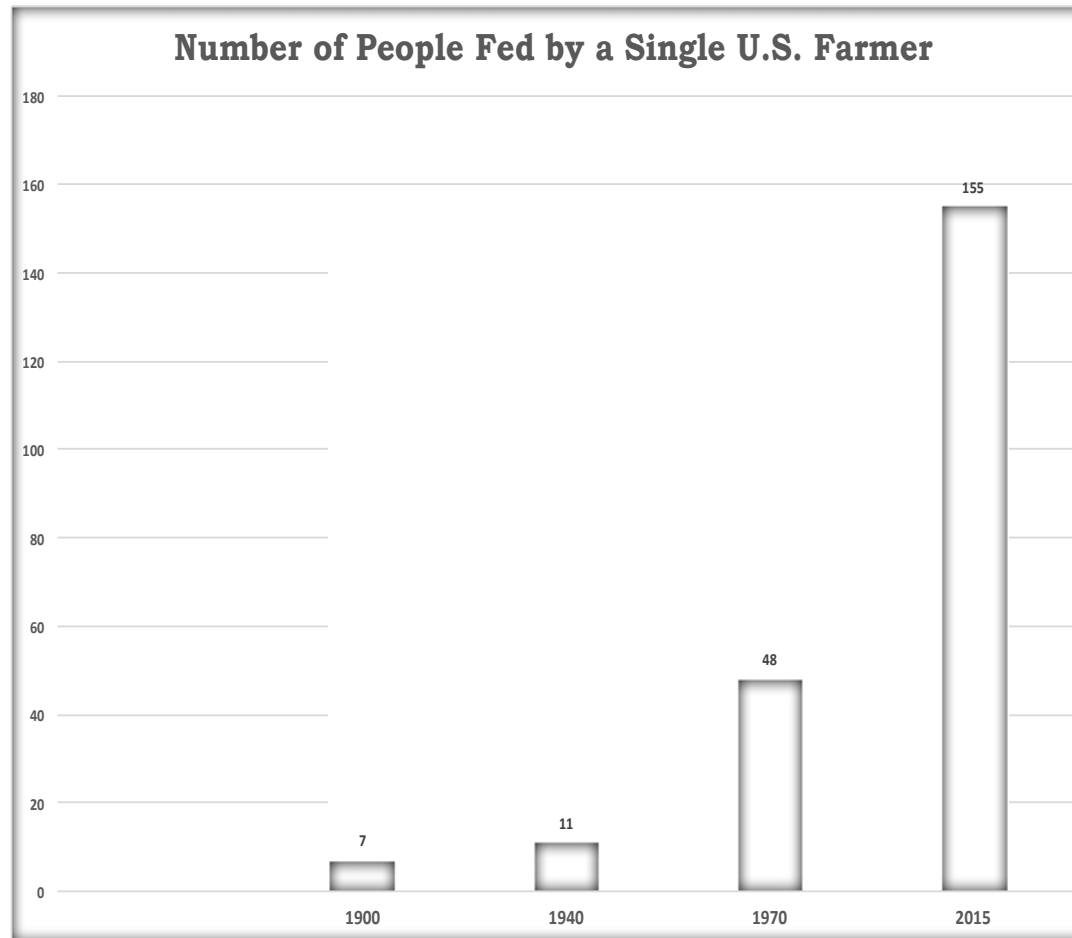
# WRDC Shifting Economics and Demographics



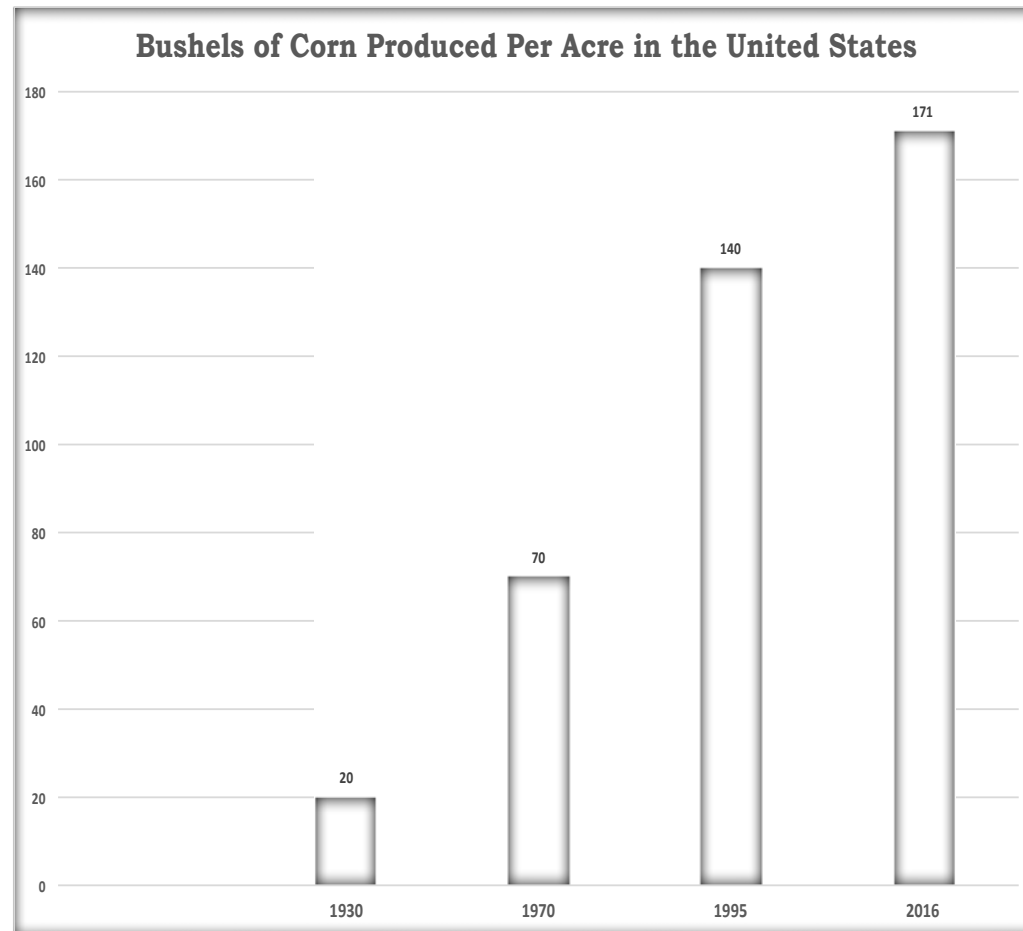
## Farming in the U.S.



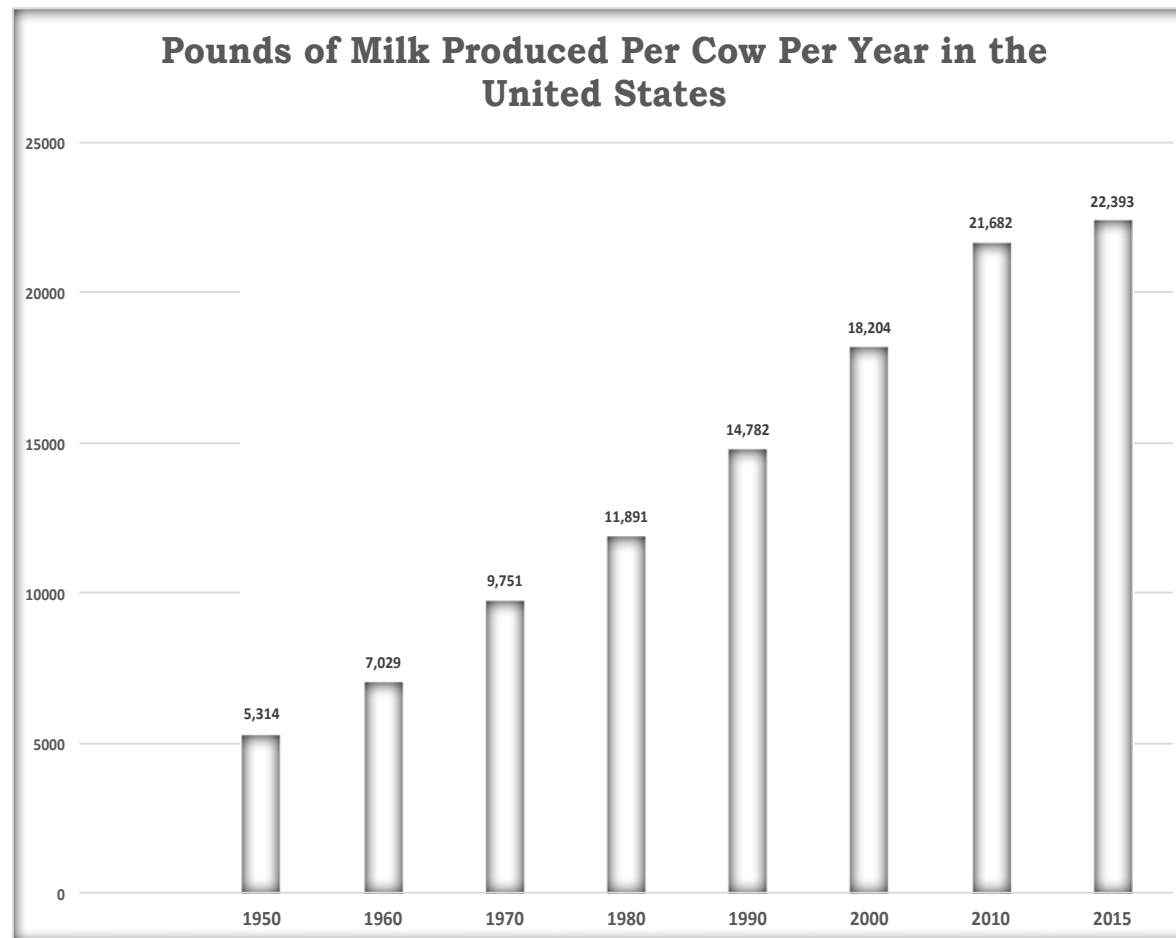
## Automated Workforce



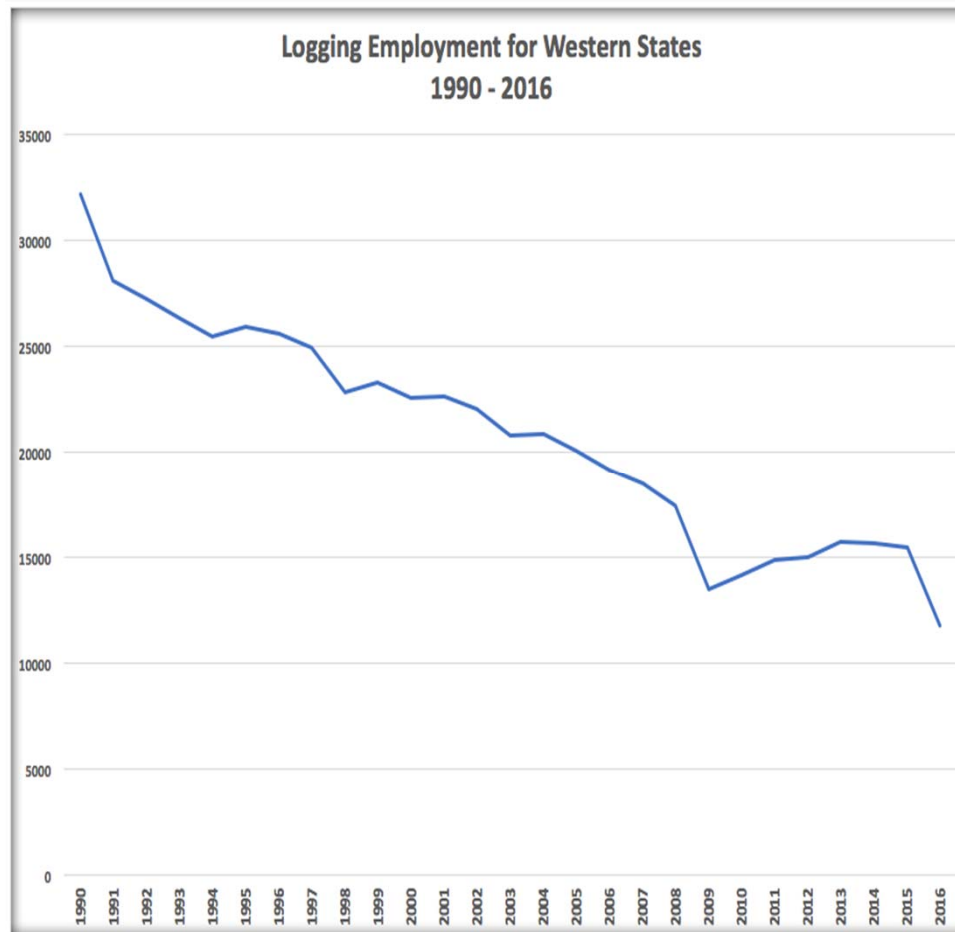
## Automated Workforce



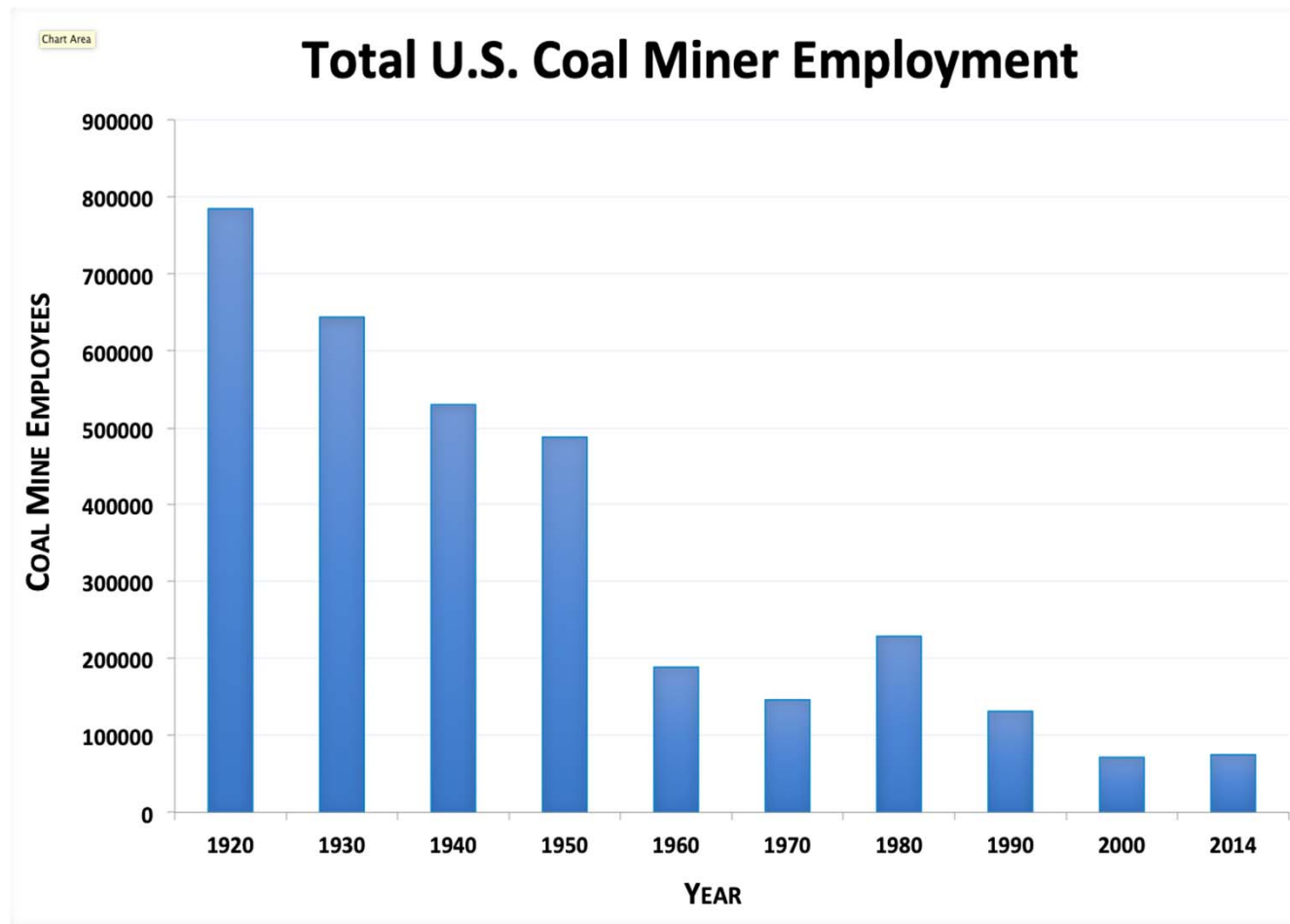
## Automated Workforce



## Logging employment in the West



## Automated Workforce





## Manufacturing employment

**Employment in the manufacturing sector has seen a decline:**

- 1979 – 19.5 million
- 2017 – 12.4 million



From 1979 to 2017 manufacturing production doubled, while employment in manufacturing declined.

## Automated workforce

**Humans will be replaced by automated machines and technology to complete many jobs that require repetitive actions**

**Retail trade is the next sector that will experience growth in automation**

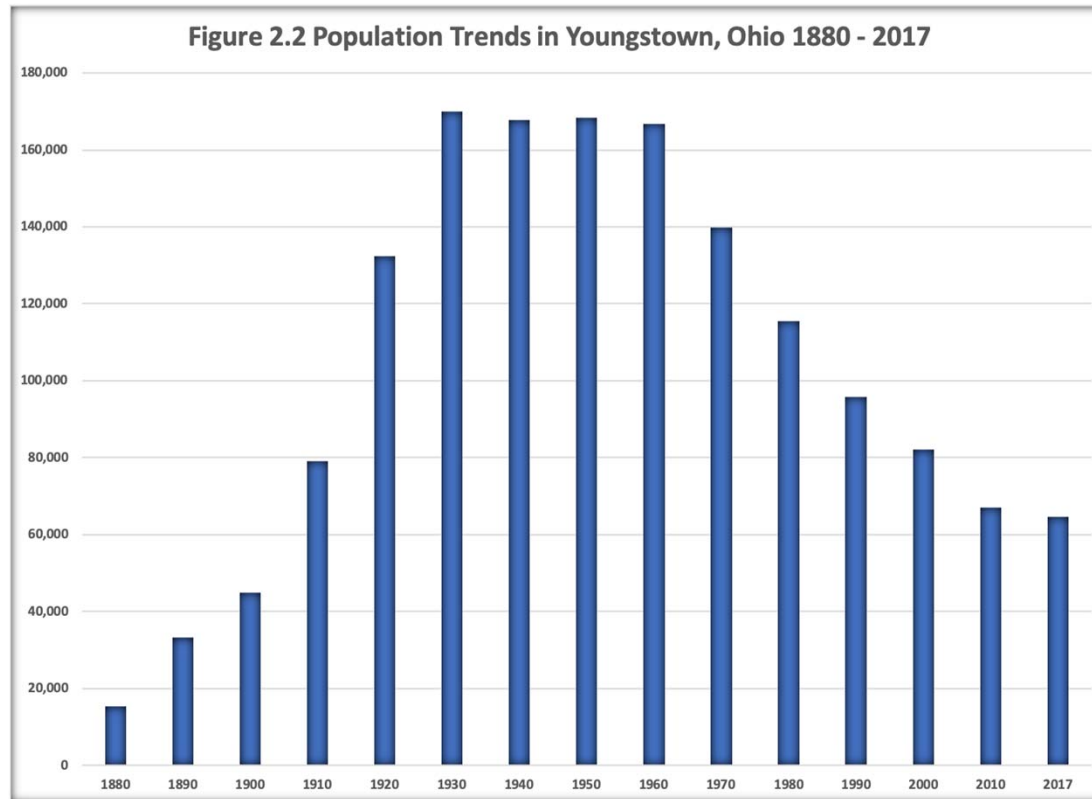


Any job that is repetitive will be replaced by a machine.

Economic  
structure changes  
have consequences



## WRDC Shifting Economics and Demographics

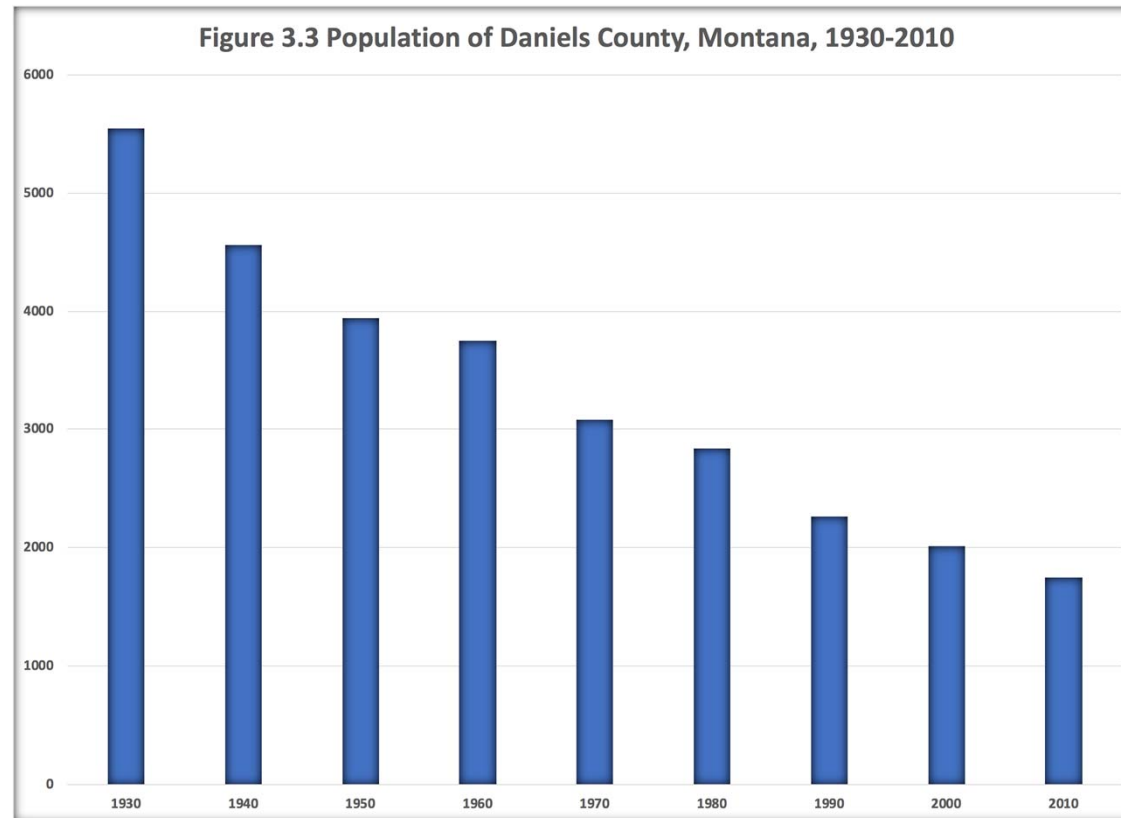


## WRDC Shifting Economics and Demographics



Youngstown, Ohio

## WRDC Shifting Economics and Demographics

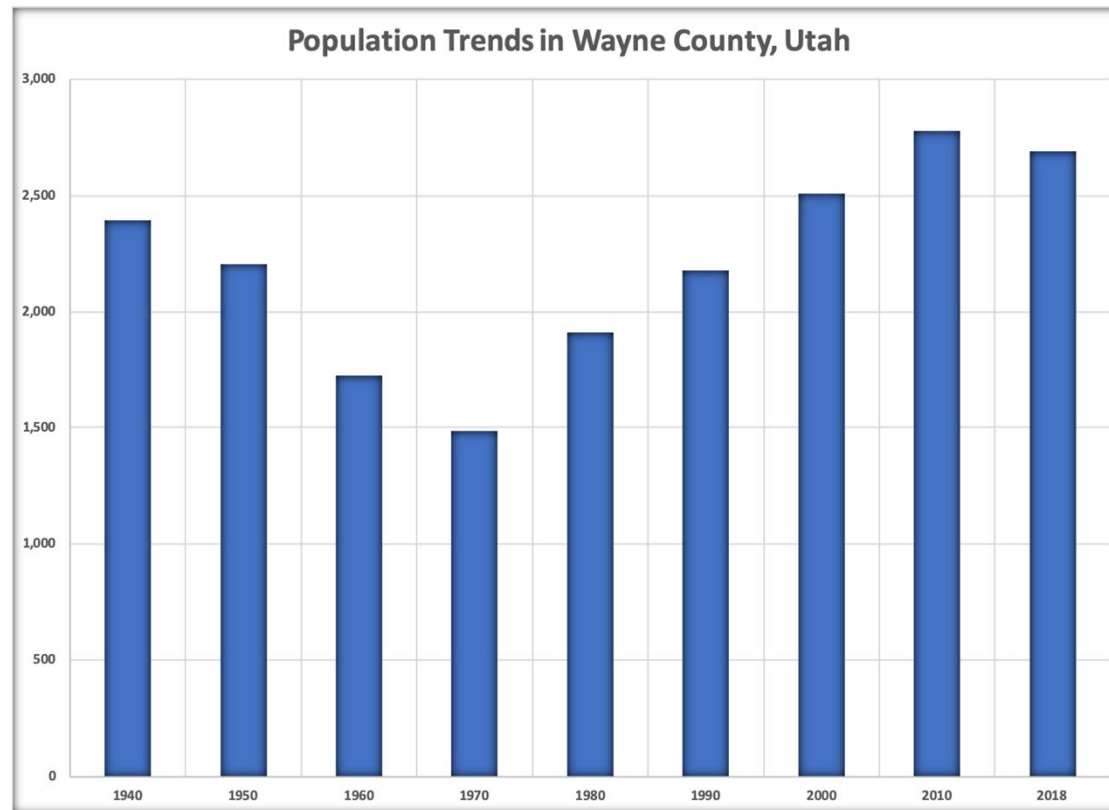


## WRDC Shifting Economics and Demographics



Daniels County, Montana

## WRDC Shifting Economics and Demographics



Presented to Alaska Rotary – September 24, 2020



## WRDC Shifting Economics and Demographics



Wayne County, Utah

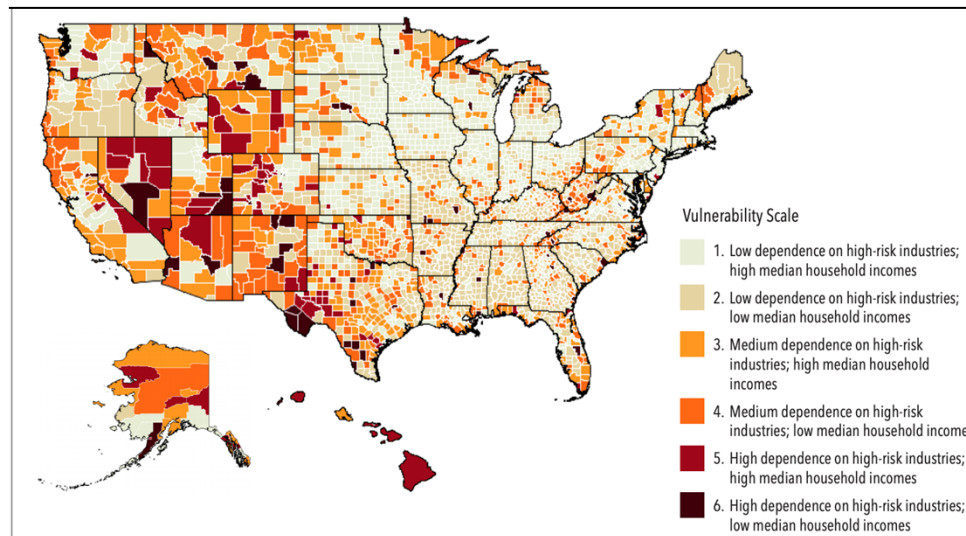
### These trends are impacting Alaska\*

- Oil and gas prices are down due to world market supply and demand; oil and gas employment and production value is also down.
- Alaska state government revenues and spending, a basic economic engine, are also down.
- Tourism is down due to Covid, particularly in Southeast (70%, due to fewer cruise ships).
- Real estate market is stable, but population losses.

\*Source: State of Alaska, Department of Labor, September 10 presentation to Rotary

### WRDC COVID-19 Vulnerability Scale

Over 90% of Alaska residents live in highly vulnerable burroughs



SOURCE: <https://www.usu.edu/wrdc/files/news-publications/COVID-19-Vulnerable-Industries-Counties.pdf>

### High-Tech Jobs are Dispersing from Urban Areas

- Many younger tech professionals can't afford to live in Silicon Valley, etc. Also Covid effect
- PC Magazine recently listed Central Kenai Peninsula, AK as one of 15 top relocation areas due to great outdoor recreation and high available bandwidth. A real opportunity for Alaska.

## WRDC Shifting Economics and Demographics



Modern technology means  
there is a reduced relevance  
of distance

During the COVID-19  
pandemic, millions of people  
have worked from home

**Many of the best jobs  
now and in the future  
will be geographically  
mobile**

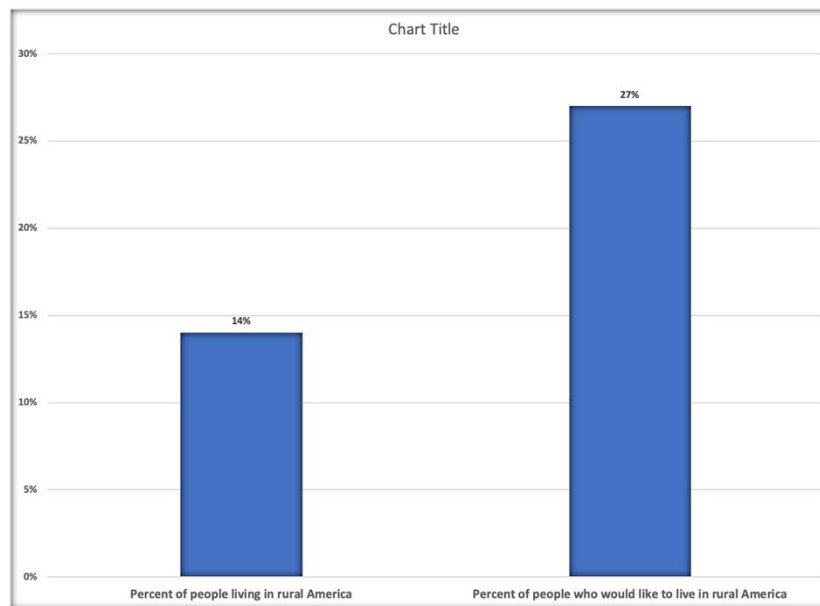


### LOCAL Economy

#### How a local economy works:

- Minority of the jobs bring in money from the outside (Primary)
- Majority of the jobs provide services (Secondary)
- Historically, jobs bringing in money from the outside were in the goods producing sector

## WRDC Shifting Economics and Demographics



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## Geographically mobile workers want:

- High-quality amenities
- Recreational opportunities
- Good schools
- Open space
- Clean air
- Inclusive Communities



### Obstacles

- Inadequate broadband
- Fear of change
- Other?



Diversification

Minimize leakage

Value Added

- Turning logs into furniture or wheat into loaves of bread

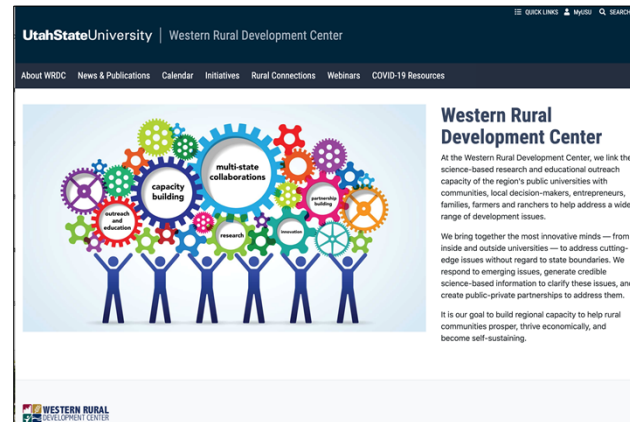


## WRDC Contacts



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### Connect

Visit our website [wrdc.usu.edu](http://wrdc.usu.edu) for:

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The Western Rural Development Center assists rural communities through its  
Extension network so they may prosper, thrive economically, and become self-sustaining.

[wrdc.usu.edu](http://wrdc.usu.edu)