



Photo: Chugiak-Eagle River Star

POPULATION AND EMPLOYMENT

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I. POPULATION

The Chugiak-Eagle River area has experienced major population growth during the last twenty years. During that period, it has evolved into a suburban/rural community of Anchorage with a limited economic base that has basically remained local-serving. These two growth factors, population and employment, are inextricably linked and form the basis for evaluating change and developing reasonable projections of future growth.

Population growth is a basic component of future growth, creating demands for housing, as well as public facilities and services. Population composition affects the type of facilities needed and the land area required to accommodate a given population level.

A. RECENT POPULATION TRENDS

The Chugiak-Eagle River area remained largely unsettled prior to the 1950's. However, by the mid-1950's, with the development of small-lot residences and a shopping center in Eagle River, a trend of increased development had been established.

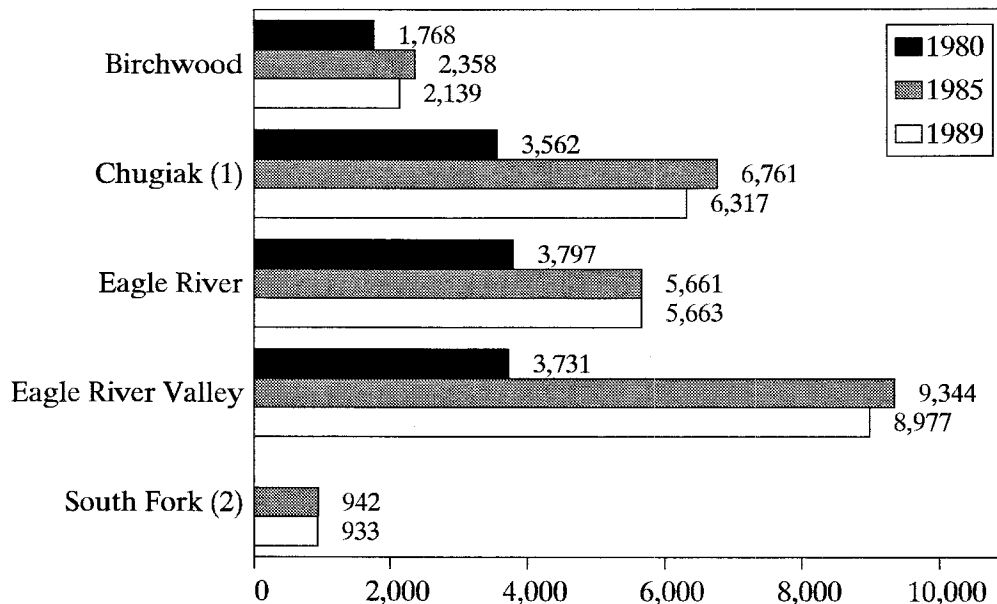
In 1960, the resident population of Chugiak-Eagle River was less than 2,300, accounting for only about 3 percent of Anchorage's total population. Chugiak-Eagle River's population more than doubled during the 1960's and 1970's, reaching about 5,800 residents in 1970 and 12,858 by 1980. Since 1980, the population has again almost doubled, growing to 25,324 in 1990, and making Chugiak-Eagle River the second fastest growing area in the Municipality. Today, Chugiak-Eagle River residents account for 11 percent of the Municipality's total population, up from 7.5 percent in 1980.

During the early to mid-1980's, Chugiak-Eagle River experienced particularly dramatic increases in population. Most growth occurred between 1980 and 1985, when Anchorage saw record increases in employment and population fueled by an unprecedented increase in State expenditures, petroleum development, construction and support services. Chugiak-Eagle River grew even faster than Anchorage during this period. Between 1980 and 1985, Chugiak-Eagle River's population rose 95 percent, versus a 42 percent increase for the Municipality as a whole. Only Southeast Anchorage, where population rose almost 100 percent during the same period, surpassed the Chugiak-Eagle River area's growth rate.

Of all areas in Chugiak-Eagle River, Eagle River Valley experienced the greatest population growth between 1980 and 1989, when the number of residents rose by 140 percent (from 3,371 to 8,977 people.) Chugiak (including Peters Creek and Eklutna) with the second highest growth rate in the area, experienced a relatively modest 77 percent overall increase in population (from 3,562 to 6,317.) The concentration of growth in Eagle River Valley (mainly the lower valley) can be attributed largely to the availability of public facilities and services and developable land in that area.

In 1989, the largest share (close to 40 percent) of Chugiak-Eagle River residents lived in Eagle River Valley. Half the area's population was split between Chugiak (including Peters Creek and Eklutna Valley) and Eagle River. Birchwood and South Fork represented the least populated areas. Figure 1 illustrates population by community council area for the 1980-1989 period. (See Community Council Areas map for community council boundaries.)

FIGURE 1
Population by Community Council
Chugiak-Eagle River - 1980, 1985 & 1989

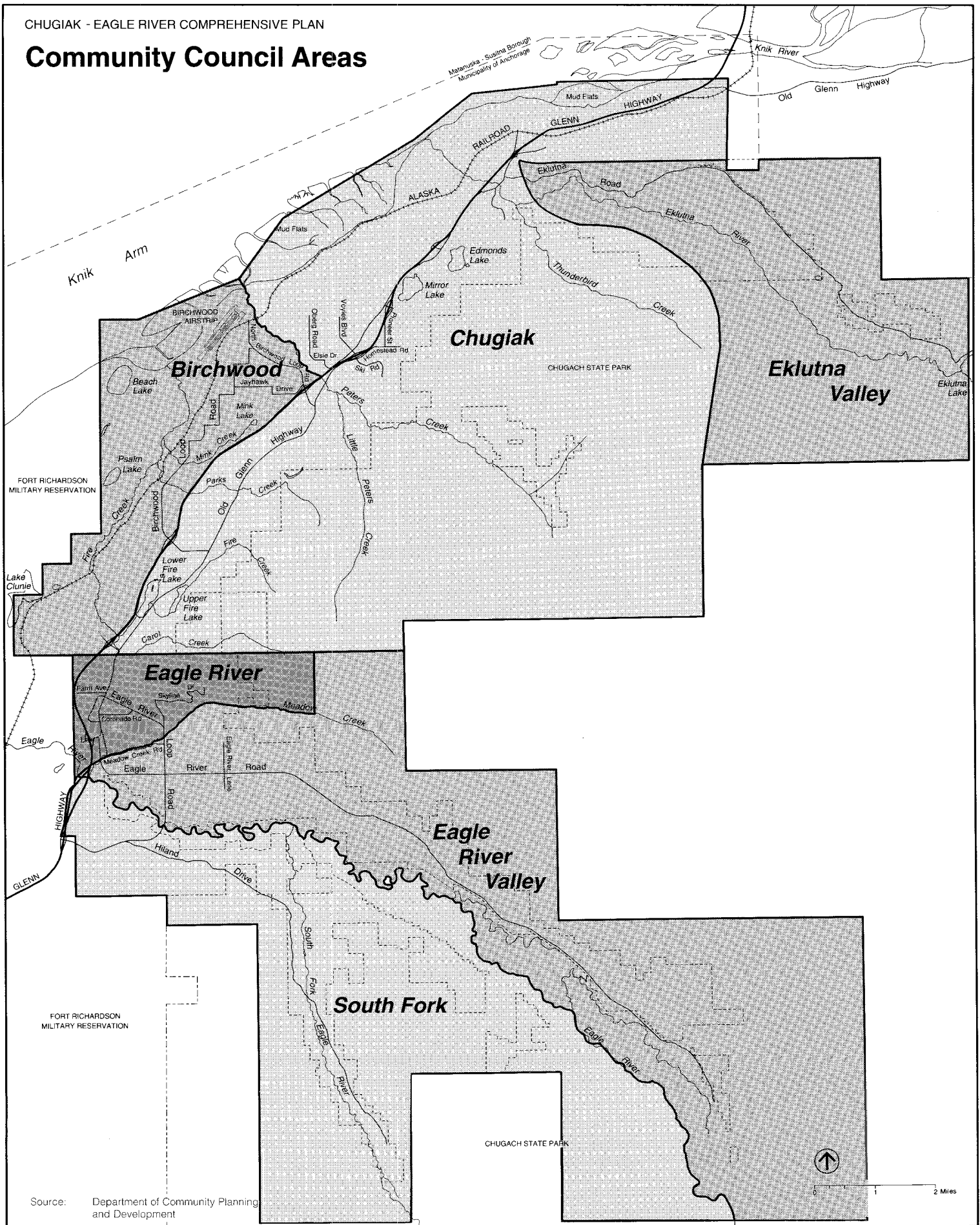


(1) Includes Peters Creek & Eklutna Valley. (2) 1980 population included in Eagle River Valley total.
Sources: U.S. Bureau of the Census, MOA Community Planning & Development Dept.

As Anchorage's economy entered a deep recession with the collapse of world oil prices in early 1986, both employment and population declined substantially. However, while the overall municipal population declined by 29,000 from early 1986 to mid-1988, Chugiak-Eagle River's population remained relatively stable. This stability is directly related to the local predominance of owner-occupied housing. Home owners generally tend to be more solidly established and less mobile during economic downturns than rental housing occupants.

Anchorage's economy has improved during the last few years and the population has grown in response. Chugiak-Eagle River's population has also been increasing. As the Anchorage area continues to grow, Chugiak-Eagle River is expected to gain a proportionately greater share of the total population. Aside from the appeal of a more rural/suburban lifestyle in a family-oriented community, one of the basic reasons for this allocation will be the continued availability of affordable land for residential development, especially single-family detached housing.

Community Council Areas



B. POPULATION COMPOSITION

Changes in population composition are a central element in explaining overall population growth patterns. In addition, certain key characteristics such as age, household size and income are indicators of future growth and service needs.

The age of a resident population is important because the higher the proportion of children or elderly persons, the greater the need for certain public services and facilities, such as schools or health care. In general, the Chugiak-Eagle River population is young, with large numbers of children and few residents over 65 years of age.

Although still young when compared with national averages, Chugiak-Eagle River's population is older than it was in 1980 when the median age was 26.3. In 1989, the average age in the area was 30.4, slightly higher than the municipal average of 29.1.

While the under-18 population age group in Chugiak-Eagle River increased over 80 percent since 1980, the ratio did not change significantly. In 1989, 35 percent of the population was under 18, versus 37 percent in 1980. The mean number of children under 18 at home in 1989 was 1.1, compared with 1.2 in 1980. By contrast, the mean number of children under 18 at home for the Municipality as a whole was 0.8 in 1989. This group represented 28 percent of the overall municipal population.

The 65 and over age group has increased almost 30 percent since 1980, a trend which is expected to continue. However, this population segment still accounts for less than 3 percent of Chugiak-Eagle River's population, about the same as the overall municipal average.

Because of the large number of families with children, the 1990 average household size of 3.08 in the Chugiak-Eagle River area was larger than the municipal average of 2.66. However, both averages have declined since 1980. This general trend toward smaller households is also mirrored at the national level and has several contributing factors, such as the declining birth rate, increased longevity and the growing number of non-family households.

Minorities are less well represented in the Chugiak-Eagle River area. Local residents are predominantly Caucasian, with less than 10 percent representing a racial minority, versus 19 percent for the Municipality as a whole. The minority population in Chugiak-Eagle River increased by 2 percent since 1980. In 1990, Alaska Natives made up the single largest minority group in Chugiak-Eagle River, while Alaska Natives and African Americans shared an equal percentage of the overall municipal population.

Although economic disparities do exist, residents of Chugiak-Eagle River have higher incomes than municipal averages. Average household income for the area in 1989 was \$50,811, almost 50 percent above that recorded in 1980 and about 16 percent higher than the 1989 municipal average of \$43,923. However, average household incomes in Eagle River Valley and South Fork were almost 40 percent higher than the 1989 municipal average, similar to averages recorded in affluent areas of Southeast Anchorage where owner-occupied, single-family housing also predominates.

As Chugiak-Eagle River grows and more land is developed, some population characteristics may change. With increased residential densities in some areas in the future, for example, the local population may become more diverse and more suburban than rural in character. However, with continued emphasis on a rural lifestyle, physical constraints on some land development and distance from major employment centers, many areas will continue to reflect a social character similar to that of the existing population.

C. FUTURE POPULATION

As part of the comprehensive planning process, population projections for the years 2000 and 2010 have been prepared for the Chugiak-Eagle River area. As a reasonable forecast of future growth, these projections form the basis for evaluating community growth and associated land and public facility and service requirements. Because calculating projected population for the area is, in large part, dependent upon future population trends in Anchorage, projections for Chugiak-Eagle River are based on population forecasts for the entire Municipality.

Table 1 lists population projections for the Municipality prepared by the University of Alaska's Institute of Social and Economic Research (ISER.) These projections are derived from employment estimates calculated using an econometric model based on assumptions of Statewide economic activity. The projections include low case, base case and high case scenarios, depending on varying amounts and types of future economic activities. (These activities are detailed in Appendix A.) The base case scenario is generally considered to be the most reasonable forecast of future growth and is supported by local economists.

TABLE 1
POPULATION PROJECTIONS
MUNICIPALITY OF ANCHORAGE
2000 - 2010

Year	Low Case	Base Case	High Case
2000	229,675	260,115	322,652
2010	245,179	307,681	402,328

Source: Projections prepared for Southcentral Alaska Utilities by the Institute of Social and Economic Research, University of Alaska, November 1990.

Population projections for Chugiak-Eagle River were calculated as percentages of the three Anchorage population scenarios for the years 2000 and 2010 (see Table 2.)

TABLE 2
POPULATION PROJECTIONS
CHUGIAK-EAGLE RIVER
2000 - 2010

Year	Low Case	Base Case	High Case	% of Total Anchorage Population
2000	29,858	33,815	41,945	13%
2010	36,777	46,152	60,349	15%

Source: University of Alaska, Institute of Social and Economic Research.

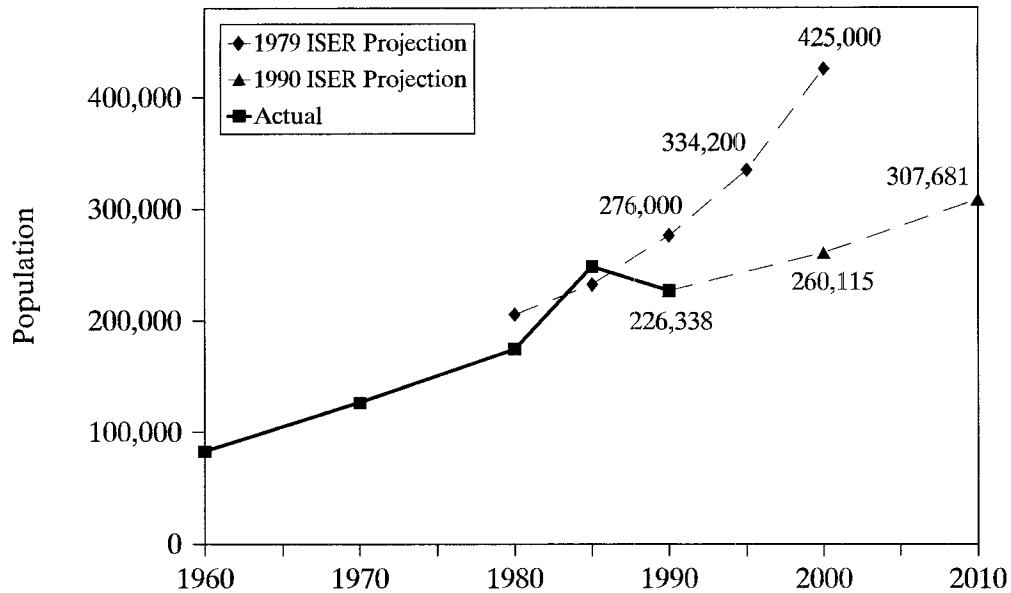
Based on past trends in population growth and the local share of the overall municipal population (as shown in Table 3), the base, or middle, 2010 population projection of 46,152 was selected. At this population level, Chugiak-Eagle River would have 15 percent of the total municipal population by 2010, up from 11 percent in 1990. This projection represents a healthy annual growth rate of about 3 percent, without applying excessive pressure on public facilities and services. Population projections for Anchorage and Chugiak-Eagle River are represented graphically in Figures 2 and 3.

TABLE 3
PAST AND PROJECTED POPULATION
MUNICIPALITY OF ANCHORAGE AND CHUGIAK-EAGLE RIVER AREA
1960 - 2010

Year	Anchorage Population		Chugiak-Eagle River Population		
	Number	% Change	Number	% Change	% of Total
1960	82,833		2,229		2.7
1970	126,385	52.6	5,832	161.6	4.6
1980	174,431	38.0	12,858	120.5	7.4
1985	248,263	42.3	25,067	94.9	10.1
1990	226,338	- 8.8	25,324	1.0	11.2
2000	260,115	14.9	33,815	33.5	13.0
2010	307,681	18.3	46,152	36.5	15.0

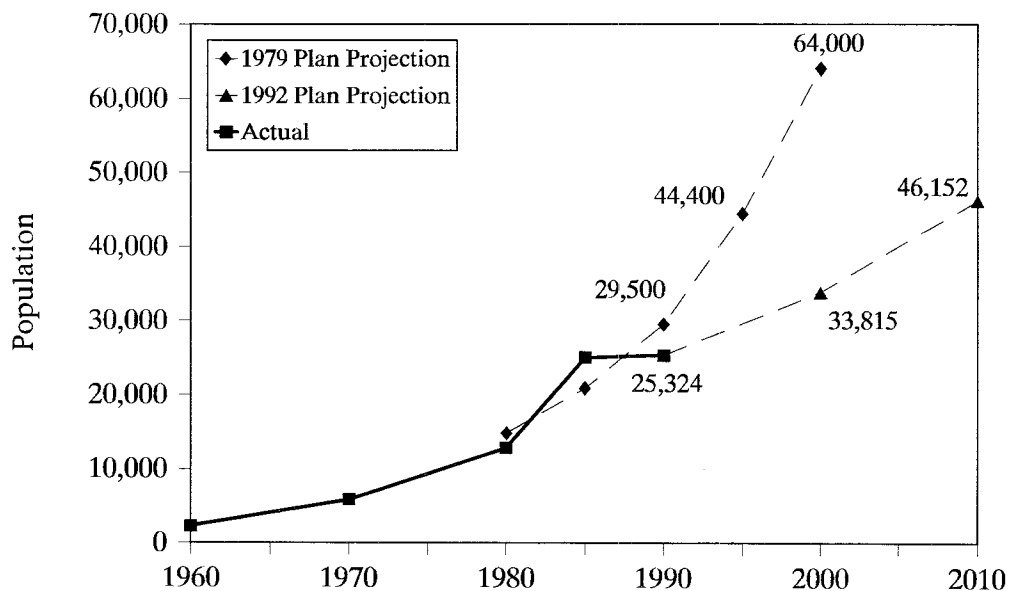
Source: Base case projections for Anchorage prepared by the Institute of Social and Economic Research, University of Alaska, November 1990.

FIGURE 2
Past Population Trends & Forecast
 Municipality of Anchorage - 1960 to 2010



Sources: U.S. Bureau of the Census; Institute of Social & Economic Research, University of Alaska.

FIGURE 3
Past Population Trends & Forecast
 Eagle River-Chugiak - 1960 to 2010



Note: Figure for 2010 assumes a 15% total growth in Anchorage population and that 27% of the overall growth will occur in Eagle River-Chugiak.

Sources: U.S. Bureau of the Census; Institute of Social & Economic Research, University of Alaska.

For comparison, population projections presented in the 1979 Eagle River-Chugiak-Eklutna Comprehensive Plan for the year 2000 are also shown in Figures 2 and 3. Like projections for this Plan, the earlier projections were based on historical trends and were calculated as a percentage of municipal projections (also prepared by ISER.) However, the 1979 projection for the year 2000 is much higher than this Plan's projection for the year 2010. In 1979, a greater amount of population growth and economic expansion was anticipated to occur in the Municipality of Anchorage, and thus Chugiak-Eagle River, than is expected today.

II. EMPLOYMENT

Despite very rapid growth during the early to mid-1980's, the Chugiak-Eagle River area has remained essentially a bedroom community, where most residents work outside the local area. There continues to be a small commercial and industrial economic base that is mainly oriented toward serving local residents, with a ratio of employment to population estimated at about 11 percent. In contrast, Anchorage overall is a balanced community with a large commercial and industrial base for its labor force and where the ratio of local employment to population totals 48 percent.

A. LABOR FORCE CHARACTERISTICS

With rapid population growth as the catalyst, the Chugiak-Eagle River area labor force doubled between 1980 and 1989, growing from 6,411 to 12,796. Using 1989 population information, almost 73 percent of the adult population of 16,210 was in the civilian labor force, while approximately 6 percent was military personnel living off-base. The remaining 21 percent was made up of adults (about 75 percent female) not participating in the labor force. These ratios differed little from those for Anchorage as a whole.

Labor force participation rates for Chugiak-Eagle River and Anchorage were almost identical in 1989—79 percent and 80 percent respectively. These ratios have not varied greatly since 1980. The 6.86 percent unemployment rate recorded for Chugiak-Eagle River in 1989 was higher than the 5.80 rate for Anchorage overall. However, the unemployment rate for the Chugiak-Eagle River civilian labor force has decreased by about 2.5 percent since 1980.

Because of the limited local economic base, most employed Chugiak-Eagle River residents travel to Anchorage to work. About 75 percent of workers in the civilian labor force who received pay or were not self-employed commuted outside the area to work in 1989. Workers from Chugiak-Eagle River spend an estimated average of 30 minutes travel time getting to their place of employment.

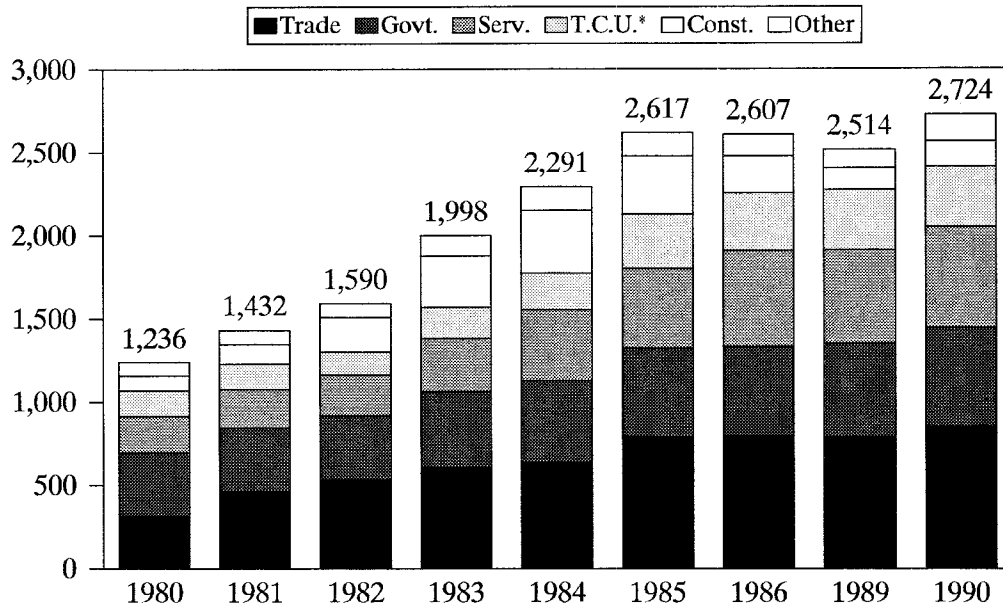
B. RECENT EMPLOYMENT TRENDS

Because of high rates of population growth during the early 1980's, the demand for goods and services in Chugiak-Eagle River increased. In response, established firms expanded their

FIGURE 4

Employment Trends by Industry

Chugiak-Eagle River - 1980 to 1990

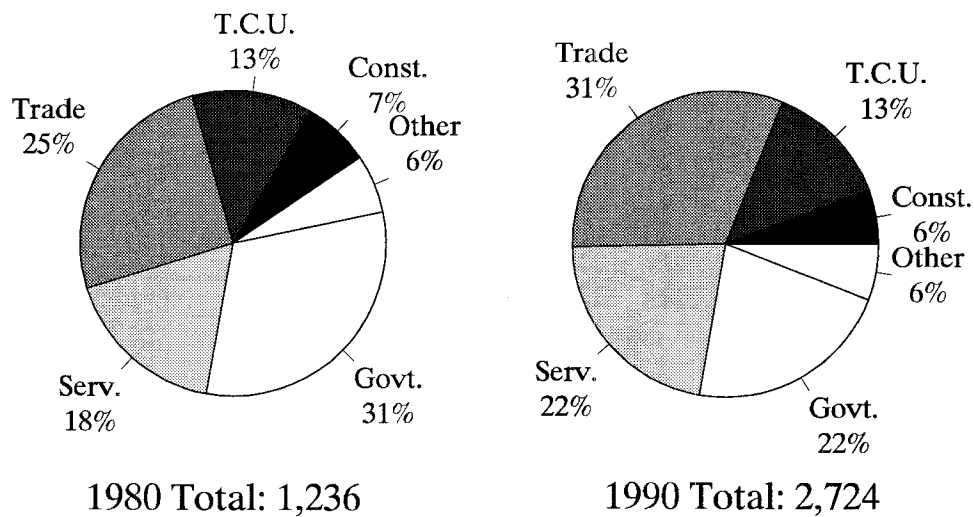


*T.C.U. = Transportation, Communication & Utilities.
Source: Alaska Department of Labor, Research & Analysis.

FIGURE 5

Employment Composition

Chugiak-Eagle River - 1980 & 1990



*T.C.U.=Transportation, Communication & Utilities.
Source: Alaska Department of Labor, Research & Analysis.

operations and new firms moved into the area. As a result, a greater diversity of goods and services became available to area residents and downtown Eagle River evolved into a major business district.

Reflecting local economic growth, all employment sectors in Chugiak-Eagle River experienced gains between 1980 and 1990, with a net total of 1,488 jobs added. Over 60 percent of those jobs were in the trade and service industries.

Employment in the Chugiak-Eagle River area more than doubled between 1980 and 1985. After that, as the Anchorage area entered an economic recession, total employment began a decline that amounted to a 3.5 percent decrease for the period between 1986 and 1989. Estimated 1990 employment figures indicate the first increase in local employment since 1985. (Figure 4 illustrates employment trends by industry in Chugiak-Eagle River for the 1980-1990 period.)

In 1980, government accounted for almost one-third of Chugiak-Eagle River's total employment, followed by trade and services. However, trade became the area's leading employment sector in 1981, when total employment in that sector increased by almost half. Today, trade remains the leading employment sector (31 percent of employment), with retail trade accounting for almost all employment in the industry. The Alaska Department of Labor reports that the largest share of the area's total trade employment is related to food (e.g., restaurants and grocery stores.)

Services is the second leading employment sector, accounting for 25 percent of the area's employment in 1990. With population growth, the demand for a greater selection of services grew substantially. In fact, services had the highest cumulative rate of employment growth of all area industries during the 1980 to 1990 period. All components of the services industry—personal, business, health, and recreation—grew during this period.

Government is the third major employment sector, accounting for 22 percent of the area's employment in 1990. Local government accounts for the largest share of public employment (70 percent in 1990.) Since 1980, most increases in local government employment have been associated with public education. The major federal and State employers are the U.S. Postal Service and the State Department of Corrections.

Construction was the only industry in the area to experience volatile employment fluctuations over the 1980-1990 period. While construction employment increased more than threefold between 1980 and 1984, jobs in the industry declined 60 percent between 1984 and 1990. Estimated employment figures for 1990 show the first increase in construction employment in six years.

Changes in the percentage of employment by industry type for 1980 and 1990 are shown in Figure 5. (Note: Miscellaneous employment not otherwise covered is included in the "Other" category.)

C. FUTURE EMPLOYMENT

As the population of the Chugiak-Eagle River area continues to grow, demands for businesses servicing local needs will also increase. As a result, employment growth in the trade and services industries is anticipated. Additional private sector jobs will be created in retail and service establishments such as banks, grocery stores, restaurants, auto service stations and retail shops. Although some growth will occur in other areas of the community, downtown Eagle River is expected to become a more significant commercial employment center in the future.

Growth will also occur in other employment sectors. With increased residential development, some improvement in construction employment is expected. Population growth will also create more public sector employment in government services such as police and fire protection, and public education.

Although the economic base in Chugiak-Eagle River is expected to continue to be primarily local-serving, there may be opportunities for region-serving commercial employment as the area grows. Commercial recreation development is one example, especially as the tourist industry continues to grow in Anchorage. Local possibilities for commercial recreation include sport fisheries, campgrounds and year-round resort development.

Historic trends show employment increasing from 10 percent of the Chugiak-Eagle River area's 1980 population to 11 percent of its 1990 population. (Reliable employment information for Chugiak-Eagle River is not available before 1980.) With economic growth, more of the area's population will be employed locally. However, because Chugiak-Eagle River is expected to remain a bedroom community of Anchorage during the next twenty years, most of this increased employment will probably continue to be local-serving rather than region-serving.

Based on that assumption, year 2010 employment in this Plan was calculated at 13 percent of the projected population of 46,152. This equates to 6,000 jobs, more than double the 1990 employment estimate.

The 2010 employment projection was used as a tool in estimating the land demand associated with future commercial and/or industrial development. This analysis was then used in preparing the land use plan, as outlined in Appendix B.