

Alaska Healthcare Workforce

2019-2024

Five-Year Trends & Key Takeaways



Why the Alaska Healthcare Workforce Matters

Healthcare is Alaska's largest contributor of jobs and earnings. In 2024, the industry supported 46,033 year-round equivalent jobs and paid \$3.66 billion in direct wages, representing 11% of employment in Alaska and 13% of all workforce earnings. Nationally, healthcare accounts for about 10% of wages and jobs.

Over the past five years, healthcare wages grew by nearly \$1 billion, rising 38%. **The industry's sustained expansion has anchored Alaska's slower-growing labor market.** Including the multiplier effect, Alaska healthcare supports 78,400 jobs and \$5.4 billion in income across Alaska's economy.

During the same period, Alaska's healthcare jobs grew by 8%. Projections show continued growth in the sector with 3,380 new jobs over the next 10 years. Additionally, turnover in key healthcare positions means replacement workers are continually needed to support Alaska's healthcare facilities. **Nearly 10,000 new healthcare workers must be hired across Alaska every year to keep up with staffing needs, including more than 1,100 registered nursing (RN) recruits annually.**

Workforce shortages persist. Although hospitals and clinics have raised wages substantially, recruitment remains highly competitive due to nationwide shortages. Driven by high turnover, an aging population, and pandemic-related burnout, healthcare providers are facing severe staffing gaps, with RN vacancies averaging 20% and taking nearly five months to fill.

The current supply of healthcare workers is insufficient to meet statewide demand. Increasing training capacity, expanding clinical placements, addressing faculty shortages, improving housing availability, and supporting faster licensure pathways are essential for closing this gap. Without these investments, rising vacancies, longer wait times, and higher costs will continue to strain Alaska's healthcare system and state budget.

Workforce supply is not keeping pace with demand.

Travel workers fill critical gaps, but at elevated cost.

Vacancies are high and filling positions takes months.

Alaska's shortages will intensify without structural change.



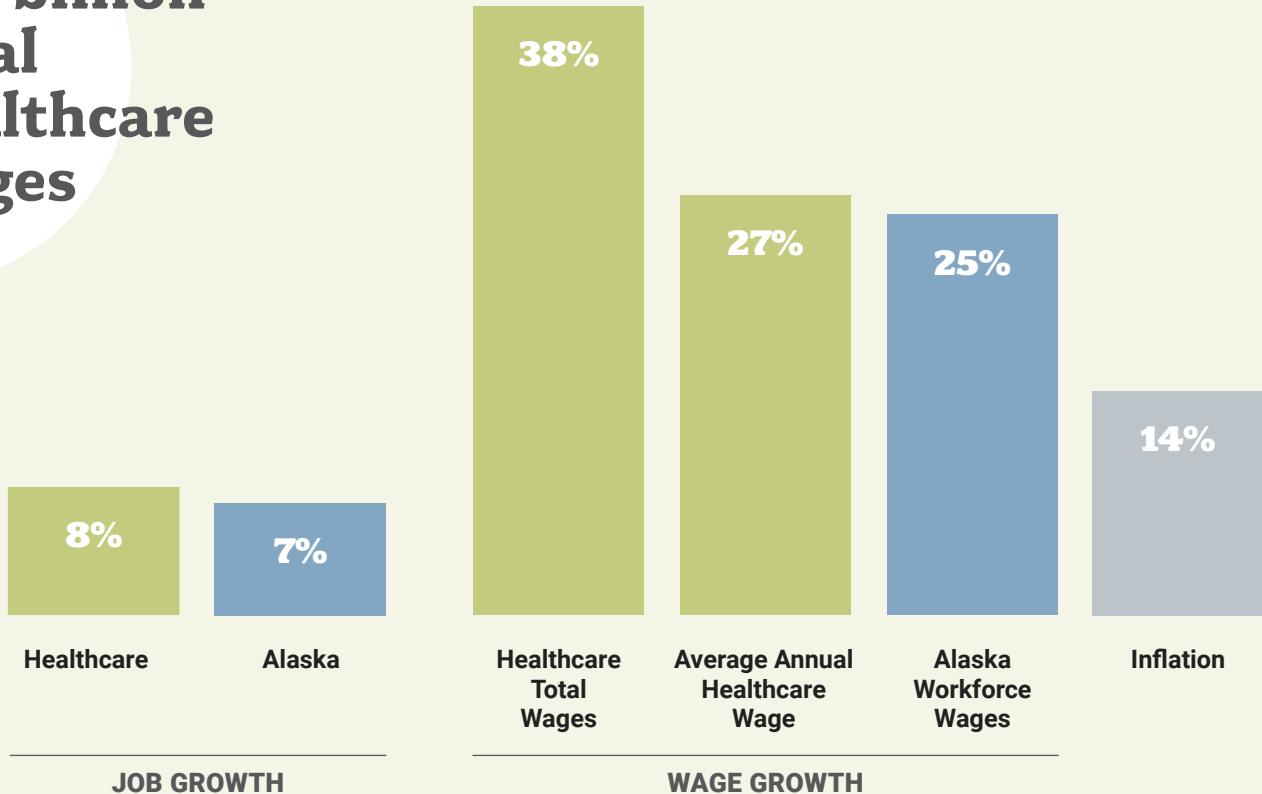
Total Jobs and Wages: Strong, Broad-Based Growth

+3,553 jobs
year-round equivalent

**+\$1 billion
total
healthcare
wages**

Healthcare is Alaska's #1 economic sector and has been growing. Between 2019 and 2024, the industry added 3,553 year-round equivalent jobs, an 8% increase that slightly outpaced overall statewide job growth of 7%. Growth remained resilient even through the pandemic period, when healthcare functioned as a stabilizing force for the broader Alaska economy.

Earnings grew even faster than employment. Total healthcare wages increased by \$1 billion over five years, a 38% gain compared to 25% wage growth for Alaska's workforce as a whole. The average annual healthcare wage climbed to \$79,583, an increase of 27% over the period. Wage growth significantly exceeded inflation, which rose 14%, reflecting both national healthcare workforce shortages and intense competition for workers across states.



Industry Composition: What Grew the Most

Growth was broad-based across healthcare sub-sectors. Hospitals, outpatient care, and nursing and residential care facilities all added jobs and payroll over the five-year period.

Hospitals gained 1,438 year-round equivalent jobs, an increase of 9%, while hospital wages rose 39%. Outpatient care saw similarly strong expansion, adding 1,761 jobs (+8%), with wages up 36%. Within this category, outpatient care centers were the fastest-growing component, with jobs increasing by 49% (+1,812 positions) and wages rising by 87%. **These gains underline the national shift toward outpatient and ambulatory models of care.**

Nursing and residential care facilities added 354 year-round equivalent jobs (+9%), and wages in this segment increased 49%, signaling both increased reliance on facility-based care and the need to raise compensation to attract and retain staff.

In contrast, home healthcare services was the only major component to experience job losses. Employment in home health fell by 500 jobs (-20%) despite rising demand for in-home and community-based care. This decline likely reflects workforce scarcity, geographic constraints, and higher burnout among workers delivering care in decentralized settings.

	Jobs	Job growth	Wage growth
Hospitals	+1,438	+9%	+39%
Outpatient care	+1,761	+8%	+36%
Outpatient care centers	+1,812	+49%	+87%
Home healthcare services	-500	-20%	—
Nursing & residential care	+354	+9%	+49%

GROWTH BY SECTOR

Outpatient care centers is a sub-component of outpatient care. Home healthcare services was the only category that saw decline.

Wages and Competitiveness

Alaska remains one of the highest-paying states for healthcare workers, but its relative wage advantage has narrowed over the past five years. Among 56 examined healthcare occupations, Alaska currently ranks second among states in average wages for healthcare practitioners and first or second in eight specific occupational categories. Five years earlier, Alaska held the top or second wage position in 18 categories.

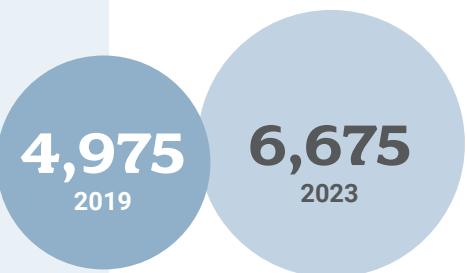
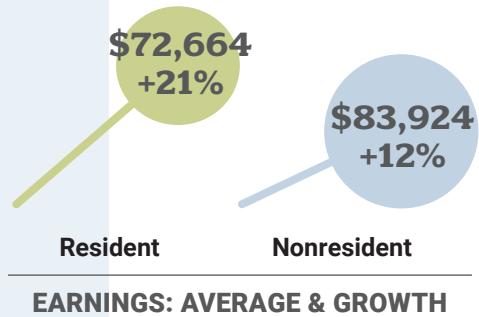
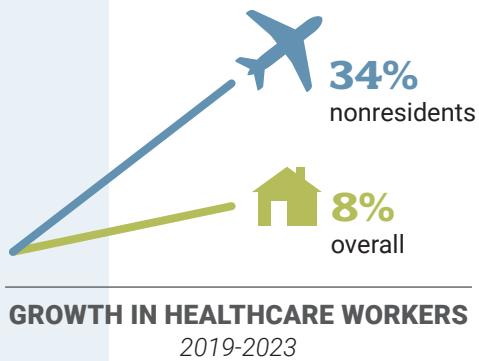
Even as Alaska's relative position has slipped in some roles, wages remain highly competitive in key occupations. For registered nurses, one of the most critical workforce categories, Alaska has moved from offering the fifth-highest wages nationally to the fourth-highest in 2024. This reflects both continued upward pressure on RN compensation and persistent demand across states for experienced nursing staff.



ALASKA'S WAGE ADVANTAGE

Occupational categories in which Alaska ranks first or second nationally in average wages.

Nonresident Workforce: Rising Dependence



Alaska's healthcare system increasingly relies on nonresident workers to meet demand. Each year, the state must hire approximately 9,943 healthcare workers to cover both growth and replacement needs. Registered nurses (RNs) represent the largest single component of this demand, with an estimated 1,124 new RNs needed annually to account for turnover and job growth. In contrast, Alaska's educational and training programs produce fewer than 800 graduates per year in priority occupations, leaving a persistent gap that must be filled from outside the state.

As a result, over the past five years, the share and number of nonresidents have grown, from 11.3% to 14.1% of healthcare workers. Nonresident healthcare workers are more expensive, largely due to higher pay rates for travelers and the inclusion of housing and travel benefits in compensation packages. **In 2025, traveling RNs earned about 60% more than staffed RNs, and the associated premium cost was estimated at \$66 million statewide last year.**

Lowering long-term dependence on traveling healthcare workers will require coordinated efforts among education providers, employers, and policymakers. Targeted workforce stabilization strategies that grow a resident-based workforce, support conversion of nonresidents to long-term residents, and align wages and working conditions with national competitors will be critical to sustaining Alaska's healthcare system over the next decade.

Licensing Trends: Rapid Expansion

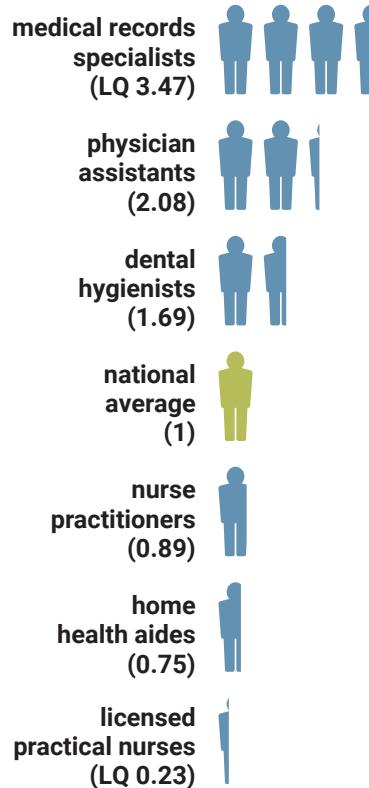
Licensing data provide additional evidence of the scale and evolution of Alaska's healthcare workforce. In 2025, there were 55,139 active healthcare professional licenses in Alaska, an increase of 20% since 2022. Nursing licenses grew by 17% over this period, medical licenses by 31%, and pharmacy-related licenses by 68%. While some of these figures represent policy changes, and do not distinguish between residents and nonresidents or confirm active practice, they highlight the **rapid growth in credentialed professionals connected to Alaska's healthcare system** and the increasing complexity of the regulatory and workforce environment.

Location Quotients

Employment concentration data provide another lens into Alaska's healthcare workforce. A location quotient (LQ) compares the share of an occupation in Alaska to its share nationally. Values above 1.0 indicate that an occupation is more prevalent in Alaska than in the United States overall; values below 1.0 indicate under-representation.

One of the most notable shifts over the past five years has been among nurse practitioners. In 2020, NPs had an LQ of 1.71, meaning they were nearly twice as common in Alaska as in the U.S. workforce overall. By 2024, their LQ had fallen to 0.89, indicating that **nurse practitioners are now under-represented in Alaska relative to the national average**. This change signals growing competition for NPs and a potential emerging gap in advanced practice capacity.

Alaska must contend with nationwide pressures while also facing higher living costs and housing shortages that can deter relocation.



2024 data

National Drivers and Alaska's Unique Pressures

Many of Alaska's five-year healthcare trends are rooted in national dynamics. The U.S. population is aging, and healthcare utilization is rising as older adults require more complex and more frequent care. At the same time, national training capacity—particularly in medicine and nursing—has grown only modestly over the past two decades.

Post-pandemic burnout and early retirements have further reduced the size of the experienced healthcare workforce, particularly among nurses, while flexible or part-time arrangements have become more common. Employers across the country are competing aggressively for the same limited pool of practitioners, and Alaska

must contend with these pressures while also facing higher living costs and housing shortages that can deter relocation.

Alaska's challenges are intensified by geography and scale. The state's distance from major population centers slows recruitment and increases the cost of bringing workers to Alaska. **Limited clinical placement capacity constrains efforts to expand in-state training programs, while faculty shortages make it difficult to increase class sizes in nursing and allied health.** Rural and remote communities experience the highest vacancy rates and the greatest workforce churn, as positions are harder to fill and more difficult to retain.

Strategic Priority Areas

Taken together, these trends highlight several strategic priorities for strengthening Alaska's healthcare workforce. Expanding training and clinical placement capacity across the state is foundational, including growing programs in both urban and rural communities. Addressing housing barriers—especially in high-cost and remote areas—will be essential to recruit and retain workers. Employers and policymakers will also need to focus on retention strategies, such as mentoring, clear career ladders, workplace supports, and initiatives designed to reduce burnout.

Alaska's healthcare industry is actively focused on addressing workforce challenges through strategic investment and statewide collaborative partnerships.



CNA & LPN Pipeline Development

\$1.2 million

264 trainees

3 new LPN training sites

264 individuals completed Certified Nurse Aide (CNA) certification training (2022–2025), increasing the number of workers filling this vital role that is in high-demand across care settings in Alaska and is often an entry role to advanced nursing positions (\$800,000 invested to support training).

Three new LPN training sites in Anchorage, Juneau, and Bethel were developed to increase regional access to nursing education (\$400,000 investment).



Workforce Training and Upskilling

82 trainings

4,727 workers

Since 2023, AHHA has supported 82 professional development trainings for 4,727 workers across hospitals, nursing homes, and behavioral health facilities. Driven by member-identified priorities, these upskilling initiatives included specialized tracks such as wound care, nurse educator workshops, preceptor training, OB in the ED, dementia training, and psychiatric nurse certification.



Workforce Recruitment Campaign

\$400,000

Launched in 2024, the "Find Your Fit" microsite serves as a digital hub connecting students and jobseekers with a wide range of roles in Alaska's hospitals and Long-Term Care (LTC) facilities. The site is supported by an ongoing multimedia promotional campaign (\$400,000 in federal and state funding).



Facility-Led Retention Initiatives

\$1.17 million

16 facilities

Local solutions for workforce stability have addressed critical "pain points," including childcare access, provider burnout, leadership development, and the creation of career ladder opportunities (\$1.17M investment across 16 projects).



For over 70 years, the Alaska Hospital & Healthcare Association (AHHA) has served as a non-profit trade association representing and supporting Alaska's hospitals, nursing homes, and other healthcare partners across the continuum of care.

Learn more at alaskahha.org

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