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Alaska's Low Unemployment Rate Leads to 2-year Zone Decision

JUNEAU, Alaska—Based on Alaska's low unemployment rate, state law directs that certain areas of the state will remain designated as zones of underemployment, but the state as a whole will not. The designation means that for certain occupations, residents will be given a hiring preference on eligible public works and construction projects in the designated zones.

The determination is made every two years under Alaska Statute 36.10.150, which states that areas of the state with unemployment rates substantially higher than the national rate will be designated zones of underemployment if they also meet other requirements for having available workers.

"The great news in the labor sector is that Alaska's economy is doing much better than the nation's overall, allowing only some areas of the state to remain as zones of underemployment," Labor and Workforce Development Commissioner Dianne Blumer said. "In years past, Alaska's unemployment was well above the nation's, so this determination represents a real turnaround for our state."

Other considerations in the determination are if there are a substantial number of zone residents with experience or training in occupations that would be used on a public works project, and whether the lack of employment opportunities in the zone has substantially contributed to economic problems in the zone.

"However, the law is clear that any zone of underemployment must have unemployment rates substantially higher than the national rate, and that hasn't been the case for much of Alaska over the last several years," Blumer added.

The determination is in effect from Aug. 16, 2013 through June 30, 2015. For a complete list of the zones and job classifications affected, go online http://labor.alaska.gov/lss/forms/res-hire-notice-2013.pdf.

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Annual Unemployment Rates

	Alaska	U.S.
2008	6.4%	5.8%
2009	7.7%	9.3%
2010	8.0%	9.6%
2011	7.6%	8.9%
2012	7.0%	8.1%