

ALASKA ECONOMIC

# TRENDS

August 2002

## The Trends 100

Alaska Department of Labor  
and Workforce Development

Tony Knowles  
Governor of Alaska

# ALASKA ECONOMIC TRENDS

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**Tony Knowles, Governor of Alaska  
Ed Flanagan, Commissioner of Labor  
and Workforce Development**

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# The Trends 100

by Neal Fried  
Labor Economist

## Providence Health System tops Alaska's largest private sector employers in 2001

**A**fter many years of steady, rapid climb, Providence Health System in Alaska grabbed the top spot on the *Trends* 100 list in 2001. With a workforce of 3,369, it is now Alaska's largest private sector employer. (See Exhibit 1.) Providence's ascendance was anticipated a number of years ago, but was temporarily delayed when Safeway bought Carrs. Ten years ago Providence had a workforce of 1,824. Most of Providence's gains have come from steady growth in their Anchorage facility, but over the years they have also acquired or partnered with health care facilities elsewhere in the state.

### Seven new players make this rarefied list

A new group of seven employers joined the *Trends* 100 in 2001. (See Exhibit 3.) Nearly all of these players made the list by growing steadily over the years. The exception was Agrium, created in 2000 when it was spun off of Unocal (also a *Trends* 100 employer). With 292 employees it was large enough to stand on its own. Two of the new players come from the non-profit sector, the Association of Village Council Presidents based in Bethel, and Southcentral Counseling, based in Anchorage. Fritz Companies, a provider of international customs and other services, owned by United Parcel Service, simply grew large enough. Home Depot, Blockbuster and Subway of Alaska also grew large enough to join this group. Home Depot will open a new store in Fairbanks this year, which will insure their ranking will continue to climb.

### ...And seven players from last year fell off the list

Employment for some of last year's players fell enough to cause them to slip off the list. A few *Trends* 100 employers closed their doors. Both Alaska Market Place and Reeve Aleutian Airways went out of business. Alaska Market Place's existence was short, but Reeve was a *Trends* 100 employer since the list's inception. United Airlines dropped off because they got out of the cargo business. The tough timber environment knocked off the *Trends* 100's last timber employer—Silver Bay Logging.

### 13 employers moved up the ranks by 10 or more places

This year's group of climbers was particularly large—the biggest in over a decade. (See Exhibit 4.) Some of these employers simply grew quickly and others acquired or merged with other companies. Four were tied to the oil industry: Nabors, Schlumberger, Halliburton and Udelhoven. Besides the fact that 2001 was a good year for most of Alaska's oil patch employers, a number of these companies merged. Three of the fast growers were in non-profit health care or the social services sector: the Yukon-Kuskokwim Health Corporation, the Alaska Native Tribal Health Consortium, and ARC of Anchorage. The Health Consortium's meteoric rise comes as a result of the privatization of the Alaska Native Hospital in Anchorage—in fact they made the *Trends* 100 list only last year. An increase in federal funds has

(continued on page 6)

# 1 Alaska's 100 Largest Private Employers

## 2001

| Rank | Firm Name                              | Employment | Headquarters<br>or Largest<br>Business Activity | Work Site     | Web Site Address               |
|------|----------------------------------------|------------|-------------------------------------------------|---------------|--------------------------------|
| 1    | Providence Health System in Alaska     | 3,369      | Hospital/Medical Center                         | Anchorage*    | www.providence.org/alaska      |
| 2    | Safeway Stores/Carrs                   | 3,252      | Grocery                                         | Anchorage*    | www.safeway.com                |
| 3    | Fred Meyer                             | 2,262      | Grocery/General Merchandise                     | Anchorage*    | www.fredmeyerstores.com        |
| 4    | Wal-Mart/Sam's Club                    | 2,178      | General Merchandise/Grocery                     | Anchorage*    | www.walmartstores.com          |
| 5    | Alaska Airlines                        | 1,833      | Air Carrier                                     | Anchorage*    | jobs.alaskaair.com             |
| 6    | VECO Operations                        | 1,535      | Oil Field Services                              | Anchorage*    | www.veco.com                   |
| 7    | Banner Health System                   | 1,191      | Hospital/Medical Center                         | Fairbanks*    | www.bannerhealth.com           |
| 8    | BP Exploration                         | 1,147      | Oil & Gas Production                            | Anchorage*    | www.bpamocojobs.com            |
| 9    | Federal Express                        | 1,121      | Airfreight/Courier Service                      | Anchorage*    | www.fedex.com/us/careers       |
| 10   | Alaska Petroleum Contractors           | 1,105      | Oil Field Services                              | Anchorage*    | www.natchiq.com/apc            |
| 11   | NANA Marriott, Joint Venture           | 992        | Catering/Hotels                                 | Anchorage*    | www.nana.com                   |
| 12   | Alyeska Pipeline Service Company       | 992        | Pipeline Transportation                         | Fairbanks*    | www.alyeska-pipe.com           |
| 13   | Alaska Communications Systems (ACS)    | 984        | Communications                                  | Anchorage*    | www.acsalaska.com              |
| 14   | Yukon-Kuskokwim Health Corporation     | 940        | Health Care                                     | Bethel*       | www.ykhc.org                   |
| 15   | Phillips66                             | 919        | Oil & Gas Production                            | Anchorage*    | www.phillips66.com             |
| 16   | GCI Communications                     | 902        | Communications                                  | Anchorage*    | www.gci.com                    |
| 17   | Kmart                                  | 856        | General Merchandise                             | Anchorage*    | www.kmart.com/corp             |
| 18   | Alaska Regional Hospital               | 851        | Hospital/Medical Center                         | Anchorage*    | www.alaskaregional.com         |
| 19   | Wells Fargo                            | 839        | Banking                                         | Anchorage*    | www.wellsfargo.com             |
| 20   | Southcentral Foundation                | 749        | Social Services/Health Care                     | Anchorage*    | www.ak-scf.org                 |
| 21   | First National Bank of Alaska          | 741        | Banking                                         | Anchorage*    | www.fnbalaska.com              |
| 22   | Alaska USA Federal Credit Union        | 735        | Credit Union                                    | Anchorage*    | www.alaskausa.com              |
| 23   | Nabors Alaska Drilling Company         | 735        | Oilfield Services                               | Anchorage*    | www.nabors.com                 |
| 24   | Spenard Builders Supply                | 720        | Building Products                               | Anchorage*    | www.sbsalaska.com              |
| 25   | Peak Oilfield Service Company          | 703        | Oilfield Services                               | Anchorage*    | www.ciri.com/jobs/jobs.htm     |
| 26   | ERA Aviation                           | 694        | Air Carrier                                     | Anchorage*    | www.era-aviation.com           |
| 27   | Alaska Commercial Company              | 657        | Grocery/General Merchandise                     | Anchorage*    | www.alaskacommercial.com       |
| 28   | UniSea                                 | 641        | Seafood Processing                              | Dutch Harbor  | www.unisea.com                 |
| 29   | Icicle Seafoods                        | 636        | Seafood Processing                              | Petersburg*   | www.icicleseafoods.com         |
| 30   | Tanana Chiefs Conference               | 632        | Social Services/Health Care                     | Fairbanks*    | www.tananachiefs.com           |
| 31   | Sears Roebuck                          | 631        | General Merchandise                             | Anchorage*    | www.sears.com                  |
| 32   | Costco                                 | 628        | General Merchandise/Grocery                     | Anchorage*    | www.costco.com                 |
| 33   | Doyon/Universal Ogden, Joint Venture   | 622        | Catering/Security                               | Anchorage*    | www.doyon.com                  |
| 34   | Southeast Alaska Regional Health Corp. | 621        | Health Care                                     | Juneau*       | www.searhc.org                 |
| 35   | Laidlaw Transit                        | 574        | School/Charter Bus Company                      | Anchorage*    | www.laidlawtransitservices.com |
| 36   | Anchorage Daily News                   | 554        | Newspaper                                       | Anchorage*    | www.adn.com                    |
| 37   | North Pacific Processors               | 544        | Seafood Processing                              | Kodiak*       | www.ppsf.com                   |
| 38   | Alaska Native Tribal Health Consortium | 544        | Hospital/Medical Center                         | Anchorage*    | www.anthc.org                  |
| 39   | Peter Pan Seafoods                     | 542        | Seafood Processing                              | King Cove*    | www.ppsf.com                   |
| 40   | Williams Express                       | 518        | Retail/Gas Stations                             | Anchorage*    | www.williams.com               |
| 41   | Aramark Leisure Services               | 509        | Catering/Concessionaire                         | Denali Park*  | www.aramark.com                |
| 42   | Houston/NANA Joint Venture             | 506        | Oilfield Services                               | Anchorage*    | www.nana.com                   |
| 43   | Hope Community Services                | 506        | Social Services                                 | Anchorage*    | www.hopealaska.org             |
| 44   | Alyeska Resort                         | 504        | Hotel/Resort                                    | Girdwood/Anch | www.alyeskaresort.com          |
| 45   | McDonalds Restaurants of Alaska        | 490        | Eating Establishment                            | Anchorage*    | www.mcdonalds.com/careers      |
| 46   | Manilaq Association                    | 489        | Social Services/Health Care                     | Kotzebue*     | www.manilaq.org                |
| 47   | The Alaska Club                        | 489        | Health Club                                     | Anchorage*    | www.thealaskaclub.com          |
| 48   | Northwest Airlines                     | 474        | Air Carrier                                     | Anchorage*    | www.nwa.com/corpinfo           |
| 49   | Cominco Alaska                         | 469        | Mining                                          | Red Dog Mine* | www.cominco.com                |
| 50   | Valley Hospital                        | 467        | Hospital/Medical Center                         | Palmer*       | www.valley-hosp.com            |

\*Have work locations in multiple communities.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# Alaska's 100 Largest Private Employers

2001 — (continued)

Headquarters  
or Largest  
Work Site

| Rank | Firm Name                                 | Employment | Business Activity          | Headquarters<br>or Largest<br>Work Site | Web Site Address                    |
|------|-------------------------------------------|------------|----------------------------|-----------------------------------------|-------------------------------------|
| 51   | Pizza Hut                                 | 460        | Eating Establishment       | Anchorage*                              | www.pizzahut.com                    |
| 52   | Westmark Hotels                           | 436        | Hotel                      | Anchorage*                              | www.coolworks.com/westmarkhotels    |
| 53   | Alaska Hotel Properties (Princess Hotels) | 431        | Hotel                      | Denali Park*                            | www.princessalaskalodges.com        |
| 54   | United Parcel Service (UPS)               | 421        | Airfreight/Courier Service | Anchorage*                              | www.ups.com                         |
| 55   | Burger King                               | 418        | Eating Establishment       | Anchorage*                              | www.burgerking.com                  |
| 56   | Norton Sound Health Corporation           | 415        | Health Care                | Nome*                                   | www.nshcorp.org                     |
| 57   | PenAir                                    | 415        | Air Carrier                | Anchorage*                              | www.penair.com                      |
| 58   | Norquest Seafoods                         | 402        | Seafood Processing         | Ketchikan*                              | www.norquestseafood.com             |
| 59   | Salvation Army-Alaska                     | 394        | Social Services            | Anchorage*                              | www.salvationarmy.org               |
| 60   | Schlumberger Technologies                 | 390        | Oil Field Services         | Anchorage*                              | www.slb.com                         |
| 61   | Westward Seafood                          | 382        | Seafood Processing         | Unalaska*                               | www.westwardseafoods.com            |
| 62   | Chugach Electric Association              | 374        | Utility Company            | Anchorage*                              | www.chugachelectric.com             |
| 63   | Wards Cove Packing Company                | 369        | Seafood Processing         | Naknek*                                 | www.wardscove.com                   |
| 64   | Tesoro Northshore Company                 | 369        | Retail/Gas Stations        | Anchorage*                              | www.tesoropetroleum.com             |
| 65   | AT&T/Alascom Inc                          | 356        | Communications             | Anchorage*                              | www.att.com/hr/employment           |
| 66   | Denali Foods (Taco Bell)                  | 354        | Eating Establishment       | Anchorage*                              | www.tacobell.com                    |
| 67   | Halliburton Energy Services               | 353        | Oil Field Services         | Anchorage*                              | www.halliburton.com                 |
| 68   | Assets                                    | 352        | Social Services            | Anchorage                               | www.assetsinc.org                   |
| 69   | Carlisle Enterprises                      | 348        | Trucking/Warehousing       | Anchorage*                              | www.carlislekw.com                  |
| 70   | Hotel Captain Cook                        | 345        | Hotel                      | Anchorage                               | www.captaincook.com                 |
| 71   | Bristol Bay Area Health Corp              | 344        | Health Care                | Dillingham*                             | www.ihs.gov                         |
| 72   | Ocean Beauty Seafoods                     | 342        | Seafood Processing         | Kodiak*                                 | www.oceanbeauty.com                 |
| 73   | Fairbanks Gold Mining Company (Ft. Knox)  | 341        | Mining                     | Fairbanks                               | www.kinross.com                     |
| 74   | Royal Highway Tours                       | 335        | Tour Buses                 | Anchorage*                              | www.coolworks.com/princess_tours    |
| 75   | Rural Alaska Community Action Program     | 335        | Social Services            | Anchorage*                              | www.ruralcap.com                    |
| 76   | Hilton Anchorage                          | 332        | Hotel                      | Anchorage                               | www.hilton.com/corporate/employment |
| 77   | Facility Management Of Alaska             | 326        | Public facility management | Anchorage*                              | www.sullivanarena.com               |
| 78   | Union Oil of California (Unocal)**        | 324        | Oil Production             | Anchorage*                              | www.unocal.com                      |
| 79   | Chugach North Technical Services          | 323        | Personnel Services         | Anchorage*                              | www.cnts.net                        |
| 80   | Ketchikan General Hospital                | 323        | Hospital/Medical Center    | Ketchikan                               | www.peacehealth.org                 |
| 81   | ARC of Anchorage                          | 313        | Social Services            | Anchorage                               | www.arc-anchorage.org               |
| 82   | CSX-Lines                                 | 302        | Shipping and Warehouse     | Anchorage*                              | www.csxlines.com/wwwsite            |
| 83   | J C Penny Company                         | 300        | Apparel                    | Anchorage*                              | www.jcpenneyinc.com/company/career  |
| 84   | Agrium U.S.                               | 292        | Chemicals/Fertilizer       | Nikiski                                 | www.agrium.com                      |
| 85   | Swissport                                 | 300        | Airport Services           | Anchorage                               | www.swissport.com/noflash.shtml     |
| 86   | Cook Inlet Processing                     | 295        | Seafood Processing         | Nikiski*                                | www.polarnet.com/~cipkod            |
| 87   | Anchorage Cold Storage                    | 290        | Wholesale/Grocery          | Anchorage*                              | www.odomcorp.com                    |
| 88   | Matanuska Telephone Association           | 289        | Telephone Communications   | Palmer*                                 | www.mta-telco.com/jobs.htm          |
| 89   | Nordstrom                                 | 287        | Department Store           | Anchorage                               | www.nordstrom.com                   |
| 90   | Udelhoven Oilfield System                 | 286        | Oil Field Services         | Anchorage*                              | www.udelhoven.com                   |
| 91   | Subway of Alaska                          | 270        | Eating Establishment       | Anchorage                               | www.subway.com                      |
| 92   | Fairbanks Native Association              | 268        | Social Services            | Fairbanks                               | www.fairbanksnative.org             |
| 93   | Greens Creek Mining Company               | 266        | Mining                     | Juneau                                  | www.kennecottminerals.com           |
| 94   | Association of Village Council Presidents | 259        | Social Services            | Bethel*                                 | www.avcp.org                        |
| 95   | Fritz Companies                           | 255        | Transportation Services    | Anchorage                               | www.fritz.com                       |
| 96   | Home Depot                                | 255        | Building Products          | Anchorage                               | www.homedepot.com                   |
| 97   | Blockbuster Video                         | 255        | Entertainment Services     | Anchorage*                              | www.blockbuster.com                 |
| 98   | Southcentral Counseling Center            | 250        | Health Care                | Anchorage                               | www.southcentralcounseling.org      |
| 99   | ABM Company of the West                   | 249        | Facilities Management      | Anchorage*                              | www.abm.com                         |
| 100  | Northern Air Cargo                        | 249        | Air Transportation         | Anchorage*                              | www.northernaircargo.com            |

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 2 Trends 100 by Industry 2001 employment

(continued from page 3)

| MINING                                           | Employment |
|--------------------------------------------------|------------|
| <b>Hard Rock Mining</b>                          |            |
| Cominco Alaska                                   | 469        |
| Fairbanks Gold Mining Company (Ft. Knox)         | 341        |
| Greens Creek Mining Company                      | 266        |
| <b>Oil &amp; Gas</b>                             |            |
| VECO Operations                                  | 1,535      |
| BP Exploration                                   | 1,147      |
| Alaska Petroleum Contractors                     | 1,105      |
| Phillips 66                                      | 919        |
| Nabors Alaska Drilling                           | 735        |
| Peak Oilfield Service Company                    | 703        |
| Houston/NANA, Joint Venture                      | 506        |
| Schlumberger Technologies                        | 390        |
| Halliburton Energy Services                      | 353        |
| Union Oil of California (Unocal)                 | 324        |
| Udelhoven Oilfield System                        | 286        |
| <b>MANUFACTURING</b>                             |            |
| <b>Seafood Processing</b>                        |            |
| UniSea                                           | 641        |
| Icicle Seafoods                                  | 636        |
| North Pacific Processors                         | 544        |
| Peter Pan Seafoods                               | 542        |
| Norquest Seafood Company                         | 402        |
| Westward Seafood                                 | 382        |
| Wards Cove Packing Company                       | 369        |
| Ocean Beauty Seafoods                            | 342        |
| Cook Inlet Processing                            | 295        |
| <b>Other Manufacturing</b>                       |            |
| Anchorage Daily News                             | 554        |
| Agrium U.S.                                      | 292        |
| <b>TRANSPORTATION, COMMUNICATIONS, UTILITIES</b> |            |
| <b>Air Transportation</b>                        |            |
| Alaska Airlines                                  | 1,833      |
| Federal Express                                  | 1,121      |
| ERA Aviation                                     | 694        |
| Northwest Airlines                               | 474        |
| United Parcel Service (UPS)                      | 421        |
| PenAir                                           | 415        |
| Swissport                                        | 300        |
| Fritz Companies                                  | 255        |
| Northern Air Cargo                               | 249        |
| <b>Communications &amp; Utilities</b>            |            |
| Alaska Communications Systems                    | 984        |
| GCI Communications                               | 902        |
| Chugach Electric Association                     | 374        |
| AT&T/Alascom                                     | 356        |
| Matanuska Telephone Association                  | 289        |
| <b>Other Transportation</b>                      |            |
| Alyeska Pipeline Service Company                 | 992        |
| Laidlaw Transit                                  | 574        |
| Carlile Enterprises                              | 348        |
| Royal Highway Tours                              | 335        |
| CSX Lines                                        | 302        |
| <b>TRADE</b>                                     |            |
| <b>Eating &amp; Drinking</b>                     |            |
| NANA/Marriott, Joint Venture                     | 992        |
| Doyon/Universal Ogden, Joint Venture             | 622        |
| Aramark Leisure Services                         | 509        |
| McDonalds                                        | 490        |

helped many of these nonprofits to grow. McDonalds grew because of a franchise sale. The Alaska Club has been opening up new facilities and acquiring others around the state. Northwest Airlines won a number of new routes to Asia, and Carlile just grew rapidly—getting some help from increases in oil industry activity.

### Trends 100 companies employ 29% of the workforce and pay better

More than a quarter of all private sector workers in Alaska work for one of the *Trends 100* employers. This workforce grew by 3.6% in 2001, more than twice as fast as the private sector as a whole, for reasons which are not entirely clear. Merger activity accounts for some growth that shows up in the *Trends 100* but not in the overall workforce. A robust year in the oil patch may also help explain this stronger growth.

The average annual wage for these employers in 2001 was \$46,710 compared to \$34,983 for all private sector wages in Alaska. This of course does not mean that all of these employers pay above average wages. In fact their wages cover the entire spectrum—there are employers in the top 10 whose total payroll is smaller than firms that are listed on the bottom half. The huge presence of the oil industry is the single largest reason for this above average wage. When oil industry employers are omitted from the *Trends 100* the average annual wage for this group falls to \$39,261.

### 16 of these big players are Native organizations

Native organizations exert growing influence in Alaska's economy. The *Trends* list of Native organizations is made up of for-profit and nonprofit companies including oil field service companies, caterers, health providers, social services, contractors, personnel services, etc. (See Exhibit 5.) One organization is new to the list this year—the Association of Village Council Presidents, based in Bethel. The *Trends 100* includes only individual firms regardless of ownership, which tends to understate the presence of the Native corporations. If all joint ventures and their

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Trends 100 by Industry **2**

### 2001 employment (continued)

subsidiaries were combined, their representation would certainly be larger. Even given these shortcomings, this is still an impressive showing. Many of the employers such as Maniilaq are health and social service providers. The largest player, ranked tenth on the state's list, was again Alaska Petroleum Contractors—a subsidiary of Natchiq, which in turn is a subsidiary of the Arctic Slope Regional Corporation.

### Nearly a quarter of the employment is with nonprofits

Although the nonprofit sector is not often touted as a powerful force in Alaska's economy, its presence on the *Trends* 100 list points to an important story. (See Exhibit 6.) Twenty-three percent of all *Trends* 100 employment is with nonprofits. In 2001, Southcentral Counseling Center in Anchorage and the Association of Village Council Presidents were added to the list. Nearly all of these nonprofits provide social or educational services, health care, or a combination of all three.

Health care dominates this list, led by the state's largest employer, Providence Health System. Only one health care provider on the *Trends* 100 list is for-profit—Alaska Regional Hospital. These health care providers represent all areas of the state and are often the largest or second largest employer in their community. Examples are the Yukon-Kuskokwim Health Corporation in Bethel, Valley Hospital in Palmer, Banner Health System in Fairbanks, and Norton Sound Health Corporation in Nome.

### The list of the top ten changes

Only half of the employers on the top ten were there a decade ago. (See Exhibit 7.) Most of the newer players have simply grown enough over time. Only one of these players, Wal-Mart/Sam's Club, was nowhere to be found in 1991. Federal Express, which ranked 36th a decade ago and is ninth today, has been another fast climber. The old standbys include Providence, Safeway/Carrs, Alaska Airlines, VECO and BP Exploration.

|                                             |       |
|---------------------------------------------|-------|
| Pizza Hut                                   | 460   |
| Burger King                                 | 418   |
| Denali Foods/Taco Bell                      | 354   |
| Subway of Alaska                            | 270   |
| <b>Other Retail</b>                         |       |
| Safeway Stores                              | 3,252 |
| Fred Meyer                                  | 2,262 |
| Wal-Mart/Sam's Club                         | 2,178 |
| Kmart                                       | 856   |
| Spenard Builders Supply                     | 720   |
| Alaska Commercial Company                   | 657   |
| Sears Roebuck                               | 631   |
| Costco                                      | 628   |
| Williams Express                            | 518   |
| Tesoro Northstore Company                   | 369   |
| J C Penney Company                          | 300   |
| Nordstrom                                   | 287   |
| Home Depot                                  | 255   |
| <b>Wholesale</b>                            |       |
| Anchorage Cold Storage Company              | 290   |
| <b>FINANCE, INSURANCE &amp; REAL ESTATE</b> |       |
| Wells Fargo                                 | 839   |
| First National Bank of Alaska               | 741   |
| Alaska USA Federal Credit Union             | 735   |
| <b>SERVICES</b>                             |       |
| <b>Hotels</b>                               |       |
| Alyeska Resort                              | 504   |
| Westmark Hotels                             | 436   |
| Alaska Hotel Properties (Princess Hotels)   | 431   |
| Hotel Captain Cook                          | 345   |
| Hilton Anchorage                            | 332   |
| <b>Personnel Services</b>                   |       |
| Chugach North Technical Services            | 323   |
| <b>Health Care</b>                          |       |
| Providence Health System in Alaska          | 3,369 |
| Banner Health System                        | 1,191 |
| Yukon Kuskokwim Health Corporation          | 940   |
| Alaska Regional Hospital                    | 851   |
| Southcentral Foundation                     | 749   |
| Southeast Alaska Regional Health Consortium | 621   |
| Alaska Native Tribal Health Consortium      | 544   |
| Maniilaq Association                        | 489   |
| Valley Hospital                             | 467   |
| Norton Sound Health Corporation             | 415   |
| Bristol Bay Area Health Corporation         | 344   |
| Ketchikan General Hospital                  | 323   |
| Southcentral Counseling Center              | 250   |
| <b>Other Services</b>                       |       |
| Tanana Chiefs Conference                    | 632   |
| Hope Community Services                     | 506   |
| The Alaska Club                             | 489   |
| Salvation Army - Alaska                     | 394   |
| Assets                                      | 352   |
| Rural Alaska Community Action Program       | 335   |
| Facility Management of Alaska               | 326   |
| ARC of Anchorage                            | 313   |
| Fairbanks Native Association                | 268   |
| Association of Village Council Presidents   | 259   |
| Blockbuster Video                           | 255   |
| ABM Company of the West                     | 249   |

Source: Department of Labor and Workforce Development, Research and Analysis Section

## **3** Newcomers to *Trends* 100 For 2001

Agrium  
Subway of Alaska  
Association of Village Council Presidents  
Fritz Companies  
Home Depot  
Southcentral Counseling Center  
Blockbuster Video

*Source: Department of Labor and Workforce Development, Research and Analysis Section*

## **Lots of Fortune 500 among them**

Companies like Sears, Federal Express, Burger King and AT&T are big national names with a large presence in Alaska. More than a quarter of Alaska's *Trends* 100 employers show up in Fortune magazine's annual list of the nation's 500 largest companies. (See Exhibit 8.) Blockbuster was the newest addition this year.

## **When the list includes all players, public employers dominate**

When the public sector is included among the state's 10 largest employers the list changes dramatically. (See Exhibit 9.) Only four private sector employers remain at the top. This probably does not come as much of a surprise, even to the casual observer. The public sector, however, has been and probably will continue to grow more slowly than the private sector, and a growing number of private sector employers will populate the top rankings.

## **Most of oil industry is on *Trends* 100, but little of retail and services**

At first blush the *Trends* 100 does not appear to be dominated by any particular industry. (See Exhibit 2.) But one industry—oil, does loom large. Nearly 83 percent of all oil industry workers are employed by one of the state's largest employers. The capital-intensive nature of the oil business appears to favor larger companies.

Manufacturing is one of the state's smallest employers and it is becoming still smaller. The *Trends* 100 list in 2001 shows one fewer manufacturer with the departure of Silver Bay logging, the last of the timber companies that used to grace the list. Timber companies on past *Trends* 100 lists included Ketchikan Pulp Company, Klukwan Forest Products, and the Alaska Pulp Company. Despite this loss of manufacturers, *Trends* 100 manufacturing employment is responsible for more than a third (36%) of all manufacturing employment. Most of

## **4** *Trends* 100 Movers Firms moving up 10 or more ranks from 2000

Yukon-Kuskokwim Health Corporation  
Nabors Alaska Drilling Company  
Alaska Native Tribal Health Consortium  
McDonalds Restaurants of Alaska  
The Alaska Club  
Northwest Airlines  
Schlumberger Technologies  
Westward Seafood  
Halliburton Energy Services  
Carlile Enterprises  
Fairbanks Gold Mining Company (Ft. Knox)  
ARC of Anchorage  
Udelhoven Oilfield System

*Source: Department of Labor and Workforce Development, Research and Analysis Section*

## Alaska Native Corporations/Organizations **5**

Fully or partly own and/or operate 16 of the *Trends* 100 firms

the manufacturing employment on this list is fish processing. The exceptions are the Anchorage Daily News and the Agrium fertilizer plant in Nikiski.

Thirty of the *Trends* 100 employers are service industry employers, five more than a decade ago. Just this year two of the newcomers were service sector employers—the Association of Village Council Presidents and Southcentral Counseling Services. Service industry companies are growing and can be expected to become more prominent on the list. Although services represents the single largest number of *Trends* 100 employers, these employers are responsible for only 23 percent of all service industry employment because there are so many smaller employers. At last count there were nearly 7,000.

Trends in retail trade are similar to services. A little over a third of retail employment is captured by *Trends* 100 firms. Their industry's competitive nature causes significant turnover on the *Trends* 100 list. For example, Alaska Market Place was a *Trends* 100 employer last year and now no longer exists, and Sky Chefs, although still an employer was no longer large enough in 2001 to make the list. Two of the new *Trends* 100 were in retail—Home Depot and Subway of Alaska.

### They represent every geographic area in the state

Although a majority of the *Trends* 100 employers have their largest work site or headquarters in Anchorage, only a few operate there exclusively. Safeway/Carrs is headquartered in Anchorage but has stores in more than a dozen other communities. The nine *Trends* 100 fish processors conduct operations not in Anchorage, but around the state. Some have very remote work sites such as North Pacific's processing plant at Petersen's Point, three miles from Naknek.

|                                             |       |
|---------------------------------------------|-------|
| Alaska Petroleum Contractors                | 1,105 |
| NANA/Marriott, Joint Venture                | 992   |
| Yukon-Kuskokwim Health Corporation          | 940   |
| Southcentral Foundation                     | 749   |
| Peak Oilfield Service Company               | 703   |
| Tanana Chiefs Conference                    | 632   |
| Doyon/Universal Ogden, Joint Venture        | 622   |
| Southeast Alaska Regional Health Consortium | 621   |
| Alaska Native Tribal Health Consortium      | 544   |
| Houston/NANA, Joint Venture                 | 506   |
| Maniilaq Association                        | 489   |
| Norton Sound Health Corporation             | 415   |
| Chugach North Technical Services            | 374   |
| Bristol Bay Area Health Corporation         | 344   |
| Fairbanks Native Association                | 268   |
| Association of Village Council Presidents   | 259   |

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Nonprofit Organizations **6**

Employ more than 23% of the *Trends* 100 workforce

|                                           |       |
|-------------------------------------------|-------|
| Providence Health System in Alaska        | 3,369 |
| Banner Health System                      | 1,191 |
| Yukon Kuskokwim Health Corporation        | 940   |
| Southcentral Foundation                   | 749   |
| Alaska USA Credit Union                   | 735   |
| Tanana Chiefs Conference                  | 632   |
| Southeast Alaska Regional Health Corp.    | 621   |
| Alaska Native Tribal Health Consortium    | 544   |
| Hope Community Service                    | 506   |
| Maniilaq Association                      | 489   |
| Valley Hospital                           | 467   |
| Norton Sound Health Corporation           | 415   |
| Salvation Army - Alaska                   | 394   |
| Chugach Electric Association              | 374   |
| Assets                                    | 352   |
| Bristol Bay Area Health Corporation       | 344   |
| Rural Alaska Community Action Program     | 335   |
| Ketchikan General Hospital                | 323   |
| ARC of Anchorage                          | 313   |
| Matanuska Telephone Association           | 289   |
| Fairbanks Native Association              | 268   |
| Association of Village Council Presidents | 259   |
| Southcentral Counseling Center            | 250   |

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 7 The Top 10 in 2001

And a decade ago

2001

| Rank | Top 10 Employers                                 | Employment |
|------|--------------------------------------------------|------------|
| 1    | Providence Health System in Alaska               | 3,369      |
| 2    | Safeway Stores/Carrs                             | 3,252      |
| 3    | Fred Meyer                                       | 2,262      |
| 4    | Wal-Mart/Sam's Club                              | 2,178      |
| 5    | Alaska Airlines                                  | 1,833      |
| 6    | VECO Operations                                  | 1,535      |
| 7    | Banner Health System                             | 1,191      |
| 8    | BP Exploration                                   | 1,147      |
| 9    | Federal Express                                  | 1,121      |
| 10   | Alaska Petroleum Contractors (a Natchiq company) | 1,105      |

1991

|    |                                  |       |
|----|----------------------------------|-------|
| 1  | Carr Gottstein Foods             | 2,952 |
| 2  | ARCO Alaska                      | 2,914 |
| 3  | Providence Alaska                | 1,825 |
| 4  | BP Exploration                   | 1,502 |
| 5  | VECO                             | 1,441 |
| 6  | Alyeska Pipeline Service Company | 1,269 |
| 7  | National Bank of Alaska          | 1,202 |
| 8  | Trident Seafoods                 | 1,109 |
| 9  | Alaska Airlines                  | 947   |
| 10 | Ketchikan Pulp Company           | 946   |

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## The Fortune 500

More than a quarter of Trends 100

firms are on this list

ATT/Alascom  
Anchorage Hilton Hotel  
Aramark Leisure Services  
Alaska Regional Health Corp.  
Blockbuster Video  
Burger King  
Costco  
CSX-Lines  
Federal Express  
Fred Meyer  
Halliburton Energy Services  
J C Penney  
Kmart  
Home Depot  
McDonalds  
NANA/Marriott, Joint Venture  
Nordstrom  
Northwest Airlines  
Phillips 66  
Pizza Hut  
Safeway Stores  
Sears Roebuck  
Taco Bell  
Tesoro Northstore Company  
United Airlines  
Union Oil of California (Unocal)  
United Parcel Service (UPS)  
Wal-Mart/Sam's Club  
Williams Express

Source: Fortune Magazine

## 9 With Public Sector Included

The top ten in 2001

| Rank | Name of Organization               | 2001<br>Employment | Headquarters or<br>Largest Work Site |
|------|------------------------------------|--------------------|--------------------------------------|
| 1    | Uniformed Military                 | 17,802             | Anchorage                            |
| 2    | Federal Government                 | 16,800             | Anchorage                            |
| 3    | State of Alaska                    | 16,152             | Juneau                               |
| 4    | University of Alaska               | 6,344              | Fairbanks                            |
| 5    | Anchorage School District          | 6,293              | Anchorage                            |
| 6    | Providence Health System in Alaska | 3,369              | Anchorage                            |
| 7    | Safeway Stores/Carrs               | 3,252              | Anchorage                            |
| 8    | Municipality of Anchorage          | 2,950              | Anchorage                            |
| 9    | Fred Meyer                         | 2,262              | Anchorage                            |
| 10   | Wal-Mart/Sam's Club                | 2,178              | Anchorage                            |

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# The State Training and Employment Program (STEP)

by Lorraine Cordova  
Labor Economist

## Unemployed workers get a step up in the workplace from the UI Trust Fund

**T**he State Training and Employment Program (STEP) has improved the employment status of more than 10,000 Alaska workers since 1989 by using a small portion of unemployment insurance funds for job training.

### STEP supported by UI Trust Fund

Funding for STEP comes from employees' contributions to the Unemployment Insurance Trust Fund, of which one-tenth of one percent is available to fund STEP programs. The investment in additional employment training and skills enhancement is intended to reduce participants' future reliance on the unemployment insurance system. The program is also charged with fostering growth of existing businesses, attracting new business to the state by developing a skilled workforce, and reducing employer unemployment insurance (UI) costs.

The program has provided workforce training to qualifying Alaskans who contributed to unemployment insurance in the previous three years. These are individuals who are currently receiving or have exhausted their unemployment insurance benefits, who lack employable skills, or whose skills have been outdated by technological change.

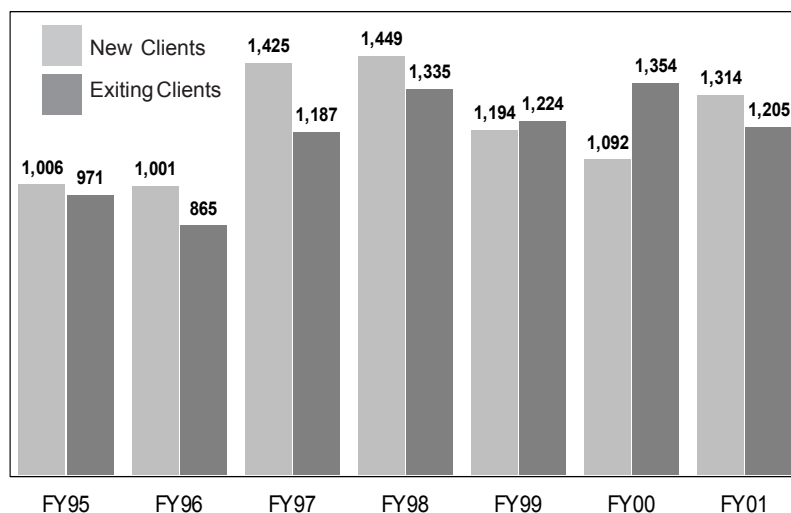
In the most recent state fiscal year, 2001, STEP enrolled 1,314 new clients, continued training for 254 clients enrolled in a prior fiscal year, and saw 1,205 clients exit the program. (See Exhibit 1.)

STEP serves clients in all regions of the state. Exhibit 2 shows the distribution of clients by region of the state for fiscal year (FY) 2001.

### STEP provides a variety of job-related services

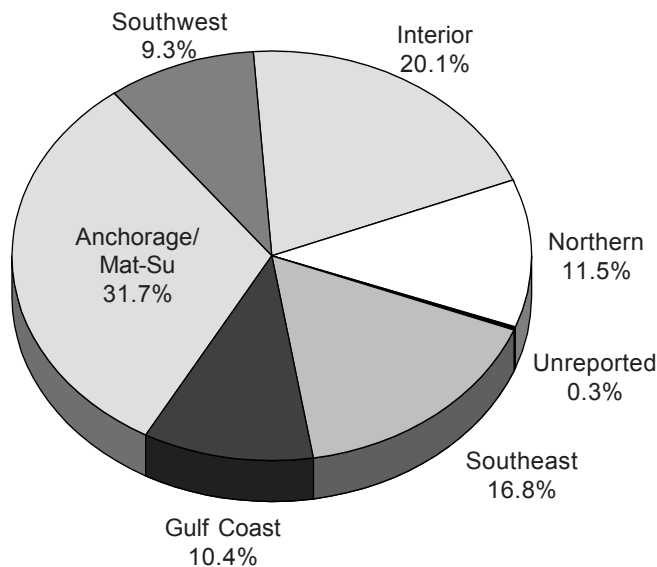
STEP funds services other than training, including career assessment and vocational counseling, classroom, high demand industry-specific training, on-the-job training, and supportive services. Relocation or other job-related assistance is possible when necessary to obtain or retain employment.

### New and Exiting Clients STEP (State Training and Employment Program)



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 2 STEP Clients by Region FY 2001



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## STEP gives grants to training providers

To broaden STEP's outreach programs and increase its training resources, STEP offers competitive grant opportunities to a variety of organizations that are interested in providing training. These organizations include public and private post-secondary educational institutions, private for-profit and not-for-profit businesses, union apprenticeship and training trusts, tribal entities, and economic development agencies. Alternatively, STEP awards grants directly to eligible clients. Based on individual needs, clients may seek specialized training from providers whose program is not funded by STEP.

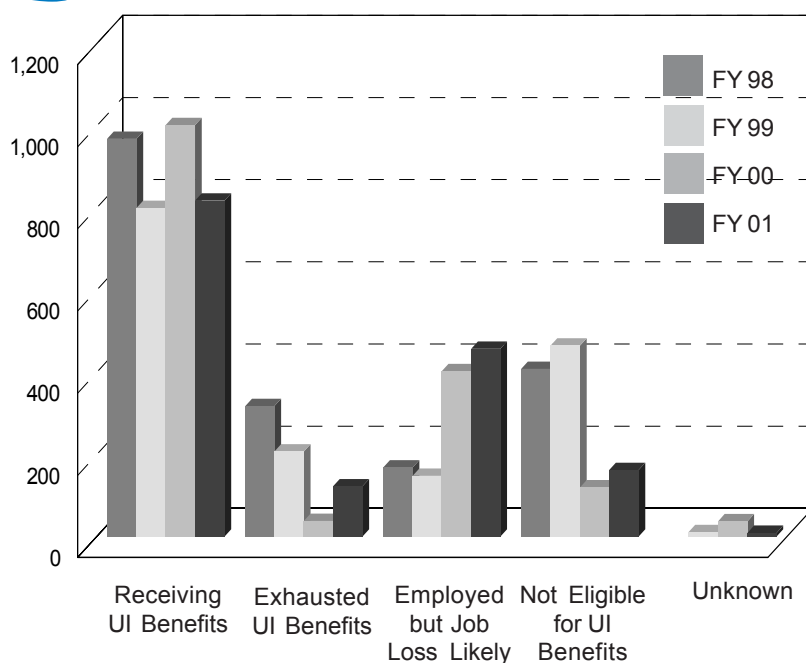
## Reasons for seeking STEP training

Most STEP applicants are eligible for the program because they are unemployed Alaskans. This was true for 940 clients in FY 2001. (See Exhibit 3.) Women, minorities, parents paying court-ordered child support, and those who have difficulty finding jobs are among those served.

While a person's unemployment status is the basis for determining eligibility, there are many additional reasons why an individual seeks training through STEP. During the enrollment process, the client has an opportunity to select from a list of characteristics describing themselves and their reasons for applying to STEP. Characteristics such as receiving welfare, having a disability, or lacking skills to obtain suitable employment in today's market, are disadvantages that can be viewed as barriers to employment.

The majority of clients for FY 2001 reported current unemployment as a reason for enrolling in STEP. Other common responses included age 45 and older, lack of skills, and annual earnings less than the median income. (See Exhibit 4.)

## 3 STEP Clients by Eligibility Criteria



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## UI claims drop significantly after STEP

STEP training has successfully reduced claims for unemployment. Total benefits paid for all clients were reduced almost 65 percent following STEP training. Total benefits paid for those who previously exhausted their claims realized the most dramatic reduction at almost 74 percent. Claims from STEP clients against the UI Trust Fund have consistently declined over the last three years. (See Exhibit 5.)

UI claims for FY 2000 participants fell from 1,034 claims in the 15 months before their participation to 583 claims in the 15 months after they completed STEP, a reduction of 43.6%. (See Exhibit 6.) This exceeds the program's goal of a 40 percent reduction in claims.

Two years must pass after STEP completion before a final measure of UI payments can be calculated.

Since claimants have one full calendar year to draw on a claim, numbers may not include complete data for clients who filed a claim toward the end of the fiscal year being evaluated. For this reason, only clients who exited the program during FY 2000, the most recent year for which data are available, are included in the analysis.

## Wage recovery—earnings increase after STEP

Another measure of STEP's success is wage recovery, or the ability of STEP clients who finish the program to earn wages comparable to or higher than those earned before entering STEP. It is notable that FY 2000 clients earned almost 11 percent more in the year after participation than in the year before training.

## Barriers to Employment For STEP clients 4

|                                                                                                  | FY 1999      |             | FY 2000      |             | FY 2001      |             |
|--------------------------------------------------------------------------------------------------|--------------|-------------|--------------|-------------|--------------|-------------|
|                                                                                                  | Clients      | Percent     | Clients      | Percent     | Clients      | Percent     |
| <b>Total number of clients</b>                                                                   | <b>1,779</b> | <b>100%</b> | <b>1,600</b> | <b>100%</b> | <b>1,568</b> | <b>100%</b> |
| No available jobs for skills                                                                     | 383          | 21.5        | n/a          | n/a         | n/a          | n/a         |
| Area has limited suitable employment                                                             | 616          | 34.6        | n/a          | n/a         | n/a          | n/a         |
| Physical or mental disability                                                                    | 92           | 5.2         | 46           | 2.9         | 42           | 2.7         |
| Age 45 and older                                                                                 | 291          | 16.4        | 356          | 22.3        | 435          | 27.7        |
| Household receives welfare (ATA or TANF)                                                         | 203          | 11.4        | 215          | 13.4        | 123          | 7.8         |
| More than 13 weeks receiving UI                                                                  | 299          | 16.8        | n/a          | n/a         | n/a          | n/a         |
| Long-term unemployment due to lack of opportunity or limited skills                              | 734          | 41.3        | n/a          | n/a         | n/a          | n/a         |
| Current UI claimant                                                                              | 661          | 37.2        | 744          | 46.5        | 751          | 47.9        |
| Enrolled in the AFDC-UP program                                                                  | 65           | 3.7         | n/a          | n/a         | n/a          | n/a         |
| Paying court-ordered child support                                                               | 99           | 5.6         | 93           | 5.8         | 91           | 5.8         |
| Lack skills to obtain employment                                                                 | 731          | 41.1        | 835          | 52.2        | 833          | 53.1        |
| Not working or face job loss due to changes in the economy or technical changes in the workplace | 302          | 17.0        | 219          | 13.7        | 268          | 17.1        |
| Currently unemployed                                                                             | 1,047        | 58.9        | 1,315        | 82.2        | 1,375        | 87.7        |
| Referred as a UI profile client                                                                  | 140          | 7.9         | 185          | 11.6        | 149          | 9.5         |
| Annual Earnings less than median income (\$33,032)                                               | n/a          | n/a         | 546          | 34.1        | 920          | 58.7        |

Clients may select more than one response on their enrollment form, so the sum of clients by barrier may exceed total clients.

n/a—The enrollment form changed for FY01, so not all categories from previous years are listed and some new categories have been added.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

This increase in earnings occurred despite the fact that three percent fewer FY 2000 clients worked in the year after STEP than the year before. Employed clients numbered 1,193 before STEP and 1,163 after STEP. (See Exhibit 7.) Clients entering the program have often been displaced from long-term jobs that provided relatively stable incomes. It is difficult to find a job requiring similar skills at the same level of pay with a different employer and, therefore, it is reasonable to expect average incomes to decline. Individuals

who leave the state after STEP cannot currently be tracked for employment and wages. Therefore, there may be additional employed STEP graduates who are not reflected in these numbers.

Clients who were not eligible for UI had the greatest percentage increase in wages after exiting STEP, even though they had the lowest total numbers. This is to be expected, since the majority of those clients were employed in seasonal,

## 5 Unemployment Insurance Activity Of terminated STEP clients

|                                       | 15 Months Before |              |              | 15 Months After |              |              | Percent Change |            |            |
|---------------------------------------|------------------|--------------|--------------|-----------------|--------------|--------------|----------------|------------|------------|
|                                       | FY98             | FY99         | FY00         | FY98            | FY99         | FY00         | FY98           | FY99       | FY00       |
| <b>All Terminated Clients</b>         | <b>1,335</b>     | <b>1,224</b> | <b>1,354</b> | <b>1,335</b>    | <b>1,224</b> | <b>1,354</b> | <b>n/a</b>     | <b>n/a</b> | <b>n/a</b> |
| <b>Claims</b>                         | 979              | 893          | 1,034        | 539             | 529          | 583          | (44.9)         | (40.8)     | (43.6)     |
| Number of Claimants                   | 858              | 805          | 891          | 506             | 503          | 544          | (41.0)         | (37.5)     | (38.9)     |
| Percent of Clients                    | 63.7             | 65.8         | 65.8         | 37.9            | 41.1         | 40.2         | (40.5)         | (37.5)     | (38.9)     |
| Total Benefits Paid<br>(in thousands) | \$2,880.3        | \$2,747.5    | \$3,143.4    | \$1,252.7       | \$1,217.9    | \$1,114.3    | (56.5)         | (55.7)     | (64.5)     |
| Total Weeks Claimed                   | 18,781           | 16,925       | 19,157       | 8,627           | 8,182        | 7,493        | (54.1)         | (51.7)     | (60.9)     |
| <b>Exhausted Claims*</b>              | 346              | 301          | 322          | 158             | 151          | 105          | (54.3)         | (49.8)     | (67.4)     |
| Number of Claimants                   | 330              | 293          | 305          | 152             | 147          | 105          | (53.9)         | (49.8)     | (65.6)     |
| Percent of Claimants                  | 34.2             | 37.4         | 36.1         | 31.2            | 30.0         | 19.3         | (8.7)          | (19.7)     | (46.6)     |
| Total Benefits Paid<br>(in thousands) | \$1,232.1        | \$1,136.4    | \$1,242.1    | \$512.9         | \$483.3      | \$323.6      | (58.4)         | (57.5)     | (73.9)     |
| Total Weeks Claimed                   | 8,120            | 7,121        | 7,638        | 3,394           | 3,344        | 2,202        | (58.2)         | (53.0)     | (71.2)     |
| <b>Early Intervention Claims**</b>    | 247              | 240          | 294          | 102             | 98           | 123          | (58.7)         | (59.2)     | (58.2)     |
| Number of Claimants                   | 201              | 196          | 233          | 97              | 97           | 121          | (51.7)         | (50.5)     | (48.1)     |
| Percent Exhausted Claims              | 26.7             | 26.7         | 24.5         | 27.5            | 24.4         | 13.0         | 2.7            | (8.5)      | (46.9)     |
| Total Benefits Paid<br>(in thousands) | \$641.9          | \$671.0      | \$796.2      | \$274.9         | \$237.9      | \$254.9      | (57.2)         | (64.6)     | (68.0)     |
| Total Weeks Claimed                   | 4,220            | 4,157        | 4,802        | 1,647           | 1,480        | 1,560        | (61.0)         | (64.4)     | (67.5)     |

Note: Two years must pass after STEP completion before a final measure of UI payments can be calculated. Claimants have one full calendar year to draw on a claim, so data may not be complete for clients who filed a claim toward the end of the fiscal year being evaluated. Therefore, data for FY 00 post-STEP UI payments are preliminary. Clients who have left the program for any reason are referred to as terminated clients.

\* Claims which have collected the Maximum Benefit Amount and are no longer eligible for UI payments.

\*\* Claims filed five weeks before or 10 days after enrolling in STEP.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

part-time or temporary jobs prior to enrollment. Terminees who were unemployed and had exhausted their benefits earned 12.5% less in the four quarters after STEP, while those receiving UI benefits earned slightly more (2.6%).

In number of workers employed after training, the Employed-but-Job-Loss-Likely classification gained 24. The Ineligible-for-UI-Benefits group saw an increase of 17 individuals, while the Unemployed clients saw a decline of 64 individuals.

Activities with strong wage recovery measures were industry specific training (seven clients earned 28% more), employment assistance (three clients earned 17% more) and local job search/placement assistance (two fewer clients employed earned 17% more). Not all activities yielded an increase in wages in the first 12 months after STEP completion. Recovery of wages was the greatest in FY 1999 for clients whose last program activity was Work Tools, Clothing, and Gear. For FY 2000, however, wage recovery for that activity was minimal. Job Career Counseling and Staff Assisted Job Development activities showed significant decreases in post-STEP earnings for FY 2000.

### Wage recovery varies by demographics and industry

As shown in Exhibit 8, the ability of clients to increase their wages after STEP varied with age, race, or gender. The likelihood of recovering wages decreased with age. The youngest workers, aged 16 to 25, had the greatest increase in wages (51%) while those 45 years and older earned less after STEP. The same number of females worked after training as before and earned 16.8% more. In contrast, 35 fewer males were employed post STEP and earned slightly more (5.5%).

Wage recovery by industry met with varying degrees of success as well. Those clients employed in Mining, Construction, and Health Services industries fared the best in terms of change in

number employed and percent change in earnings. Agriculture lost two employees and Manufacturing lost seven, while the Services industry showed the largest increase, 98 workers. Business Services (a subset of the Services industry) lost five employees. The second brightest star in this group was the Construction industry, which added 90 employees to its rolls as a result of STEP training. (See Exhibit 9.)

### STEP provides skilled workers

Nearly half of the clients exiting STEP training programs in FY 2000 successfully completed the program and left for employment. Of those, 60 percent, or 390 participants, entered newly created jobs. The remaining 40 percent filled vacant positions. The percentage of clients leaving STEP for a new job is slightly less than in FY 1999, but at 29 percent is well above the stated goal of 10 percent. A newly created job is one which did not exist in the calendar quarter preceding STEP

### Number of UI Claims Filed By terminated STEP clients

6

#### 15 Months Before STEP Enrollment

|       |      |
|-------|------|
| FY 97 | 676  |
| FY 98 | 979  |
| FY 99 | 893  |
| FY 00 | 1034 |

#### 15 Months After STEP Enrollment

|       |     |
|-------|-----|
| FY 97 | 401 |
| FY 98 | 539 |
| FY 99 | 529 |
| FY 00 | 583 |

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 7 STEP Clients' Wages by Client Characteristic

## Four quarters before and after training, FY 2000

|                                                               | Number<br>of Clients | Number Employed |              | Earnings            |                     | % Change<br>in Earnings |
|---------------------------------------------------------------|----------------------|-----------------|--------------|---------------------|---------------------|-------------------------|
|                                                               |                      | Before          | After        | Before              | After               |                         |
| <b>All Terminated Clients</b>                                 | <b>1,354</b>         | <b>1,193</b>    | <b>1,163</b> | <b>\$21,268,548</b> | <b>\$23,520,754</b> | <b>10.6</b>             |
| <b>By UI Eligibility at First Enrollment</b>                  |                      |                 |              |                     |                     |                         |
| Unemployed                                                    |                      |                 |              |                     |                     |                         |
| Exhausted UI benefits                                         | 34                   | 28              | 26           | \$492,776           | \$430,938           | (12.5)                  |
| Receiving UI benefits                                         | 830                  | 771             | 709          | 15,235,312          | 15,626,052          | 2.6                     |
| Total Unemployed                                              | 864                  | 799             | 735          | 15,728,088          | 16,056,990          | 2.1                     |
| Employed but job loss likely                                  |                      |                 |              |                     |                     |                         |
| Change in required job skills                                 | 346                  | 280             | 305          | 3,612,246           | 5,275,666           | 46.0                    |
| Reduction in the number of workers<br>at place of employment  | 3                    | 2               | 2            | *                   | *                   | *                       |
| Elimination of job                                            | 10                   | 10              | 9            | 356,164             | 230,103             | (35.4)                  |
| Total Employed                                                | 359                  | 292             | 316          | 3,968,410           | 5,505,769           | 38.7                    |
| Not currently eligible for UI benefits                        |                      |                 |              |                     |                     |                         |
| Insufficient wage contributions due<br>to limited opportunity | 61                   | 49              | 56           | 551,945             | 878,618             | 59.2                    |
| Seasonal, temporary, part-time, or<br>marginal employment     | 38                   | 20              | 30           | 79,933              | 246,840             | 208.8                   |
| Underemployed                                                 | 4                    | 4               | 4            | *                   | *                   | *                       |
| Total Not Eligible for UI                                     | 103                  | 73              | 90           | 631,878             | 1,125,458           | 78.1                    |
| Unknown or Not Applicable                                     | 28                   | 27              | 15           | 811,533             | 325,335             | (59.9)                  |
| <b>By Last Training Activity</b>                              |                      |                 |              |                     |                     |                         |
| Customized Training                                           | 8                    | 7               | 7            | 138,085             | 123,367             | (10.7)                  |
| Occupation Skills Training                                    | 256                  | 225             | 214          | 3,831,024           | 3,778,336           | (1.4)                   |
| On-the-Job Training (OJT)                                     | 2                    | 1               | 2            | *                   | *                   | *                       |
| Case Management                                               | 103                  | 93              | 85           | 1,655,464           | 1,455,248           | (12.1)                  |
| Objective Assessment                                          | 15                   | 12              | 13           | 213,388             | 191,480             | (10.3)                  |
| Out-of-area Job Search/Placement                              | 5                    | 5               | 1            | *                   | *                   | *                       |
| Relocation Assistance                                         | 6                    | 5               | 4            | *                   | *                   | *                       |
| Supportive Services                                           | 44                   | 39              | 35           | 752,598             | 731,285             | (2.8)                   |
| Local Job Search/Placement Assistance                         | 13                   | 11              | 9            | 196,331             | 229,842             | 17.1                    |
| Staff Assisted Job Development                                | 5                    | 5               | 5            | 120,093             | 90,244              | (24.9)                  |
| Planned Inactivity/Holding                                    | 9                    | 9               | 6            | 196,255             | 110,043             | *                       |
| Basic Skills                                                  | 4                    | 3               | 2            | *                   | *                   | *                       |
| Employment Assistance                                         | 434                  | 369             | 366          | 5,845,474           | 6,859,921           | 17.4                    |
| Industry Specific Training                                    | 429                  | 387             | 394          | 7,365,554           | 8,895,845           | 20.8                    |
| Job/Career Counseling                                         | 11                   | 11              | 5            | 294,481             | 162,697             | (44.8)                  |
| Other Employment Skills                                       | 1                    | 1               | 0            | *                   | *                   | *                       |
| Provide Equipment, Gear, Tools, Etc.                          | 5                    | 4               | 5            | *                   | *                   | *                       |
| Vocational Exploration                                        | 4                    | 4               | 3            | *                   | *                   | *                       |

\* Data is nondisclosable.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

participation. Upon termination, the participant informs STEP if they are entering an existing job or a new job. A new job can include a new position with the same employer.

## Summary

Workforce training is effective in helping to keep the Alaska economy competitive. Since 1989, STEP has proven itself valuable in helping Alaskans find and retain jobs. More information on the STEP program is available on-line at [http://](http://www.ajcn.state.ak.us/jt/step.html)

[www.ajcn.state.ak.us/jt/step.html](http://www.ajcn.state.ak.us/jt/step.html) or by contacting the Alaska Department of Labor and Workforce Development's Employment Security Division, Job Training and Work Readiness Unit, P.O. Box 25509, Juneau, AK 99802-5509, Telephone: (907) 465-4863, Fax: 465-3212.

For the complete State Training and Employment Program Review for FY99–FY01 visit the Alaska Department of Labor and Workforce Development's Research and Analysis website at <http://labor.state.ak.us/research/research/pub/step.pdf>.

## Wage Recovery by Demographics

### Terminated STEP clients four quarters before and after training, FY 2000

|                               | Number<br>of Clients | Number Employed |              | Earnings            |                     | Change in<br># Employed | % Change in<br>Earnings |
|-------------------------------|----------------------|-----------------|--------------|---------------------|---------------------|-------------------------|-------------------------|
|                               |                      | Before          | After        | Before              | After               |                         |                         |
| <b>All Terminated Clients</b> | <b>1,354</b>         | <b>1,193</b>    | <b>1,163</b> | <b>\$21,268,548</b> | <b>\$23,520,754</b> | <b>(30)</b>             | <b>10.6</b>             |
| <b>By Age Group</b>           |                      |                 |              |                     |                     |                         |                         |
| Under 25 years                | 237                  | 206             | 208          | 2,222,676           | 3,358,346           | 2                       | 51.1                    |
| 25 to 34 years                | 369                  | 331             | 324          | 5,947,234           | 6,482,094           | (7)                     | 9.0                     |
| 35 to 44 years                | 458                  | 401             | 388          | 7,466,421           | 8,448,834           | (13)                    | 13.2                    |
| 45 to 54 years                | 234                  | 205             | 194          | 4,694,988           | 4,130,844           | (11)                    | (12.0)                  |
| Over 54 years                 | 56                   | 42              | 48           | 922,897             | 747,351             | 6                       | (19.0)                  |
| <b>By Race*</b>               |                      |                 |              |                     |                     |                         |                         |
| White                         | 710                  | 624             | 585          | 12,868,193          | 13,493,709          | (39)                    | 4.9                     |
| African American              | 63                   | 50              | 55           | 533,779             | 883,312             | 5                       | 65.5                    |
| Hispanic                      | 41                   | 38              | 37           | 629,477             | 676,720             | (1)                     | 7.5                     |
| Indian                        | 522                  | 464             | 468          | 6,933,045           | 7,967,775           | 4                       | 14.9                    |
| Asian                         | 33                   | 30              | 25           | 509,939             | 403,712             | (5)                     | (20.8)                  |
| Hawaiian                      | 33                   | 30              | 25           | 509,939             | 403,712             | (5)                     | (20.8)                  |
| American Indian               | 518                  | 460             | 464          | 6,835,439           | 7,830,975           | 4                       | 14.6                    |
| Alaskan Native                | 522                  | 464             | 468          | 6,933,045           | 7,967,775           | 4                       | 14.9                    |
| <b>By Gender</b>              |                      |                 |              |                     |                     |                         |                         |
| Male                          | 750                  | 671             | 636          | 14,706,912          | 15,521,251          | (35)                    | 5.5                     |
| Female                        | 604                  | 520             | 520          | 6,547,304           | 7,646,217           | 0                       | 16.8                    |

\* Clients may choose more than one race on their enrollment form, so the sum of clients by race may exceed total clients.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 9 Wage Recovery by Industry

## Terminated STEP clients four quarters before and after training, FY 2000

|                                                         | Number Employed |              | Earnings            |                     | Change in<br>#Employed | % Change<br>in Earnings |
|---------------------------------------------------------|-----------------|--------------|---------------------|---------------------|------------------------|-------------------------|
|                                                         | Before          | After        | Before              | After               |                        |                         |
| <b>All Terminated Clients</b>                           | <b>1,193</b>    | <b>1,163</b> | <b>\$21,268,548</b> | <b>\$23,520,754</b> | <b>(30)</b>            | <b>10.6%</b>            |
| <b>Agricultural Services</b>                            | <b>4</b>        | <b>2</b>     | *                   | *                   | (2)                    | *                       |
| <b>Mining</b>                                           | <b>32</b>       | <b>65</b>    | <b>1,163,747</b>    | <b>2,521,977</b>    | 33                     | 116.7                   |
| Oil & Gas Extraction                                    | 29              | 50           | 1,107,940           | 2,141,484           | 21                     | 93.3                    |
| <b>Construction</b>                                     | <b>159</b>      | <b>249</b>   | <b>4,874,383</b>    | <b>7,736,897</b>    | 90                     | 58.7                    |
| Heavy Construction-Highway and Street                   | 36              | 86           | 1,484,724           | 3,260,647           | 50                     | 119.6                   |
| Construction, except Elevated Highways                  |                 |              |                     |                     |                        |                         |
| Heavy Construction, except                              | 28              | 40           | 698,258             | 1,251,255           | 12                     | 79.2                    |
| Highway and Street Construction                         |                 |              |                     |                     |                        |                         |
| Construction-Special Trade Contractors                  | 65              | 87           | 1,780,971           | 2,356,904           | 22                     | 32.3                    |
| <b>Manufacturing</b>                                    | <b>32</b>       | <b>25</b>    | <b>534,559</b>      | <b>608,197</b>      | (7)                    | 13.8                    |
| Food and Kindred Products                               | 15              | 12           | 117,990             | 170,765             | (3)                    | 44.7                    |
| Lumber and Wood Products, except Furniture              | 10              | 6            | 274,096             | 293,100             | (4)                    | 6.9                     |
| <b>Transportation, Communications, and Utilities</b>    | <b>46</b>       | <b>62</b>    | <b>1,020,241</b>    | <b>1,650,762</b>    | 16                     | 61.8                    |
| Local and Suburban Transit and Interurban               | 8               | 10           | 96,154              | 166,397             | 2                      | 73.1                    |
| Highway Passenger Transportation                        |                 |              |                     |                     |                        |                         |
| Water Transportation                                    | 5               | 10           | 83,132              | 177,730             | 5                      | 113.8                   |
| Transportation by Air                                   | 5               | 9            | 132,203             | 228,746             | 4                      | 73.0                    |
| Communications                                          | 9               | 11           | 401,768             | 483,722             | 2                      | 20.4                    |
| Electric, Gas, and Sanitary Services                    | 10              | 12           | 187,452             | 409,444             | 2                      | 118.4                   |
| <b>Wholesale Trade</b>                                  | <b>15</b>       | <b>20</b>    | <b>236,664</b>      | <b>281,582</b>      | 5                      | 19.0                    |
| Durable Goods                                           | 4               | 7            | *                   | *                   | 3                      | *                       |
| Nondurable Goods                                        | 11              | 13           | 159,849             | 140,638             | 2                      | (12.0)                  |
| <b>Retail Trade</b>                                     | <b>81</b>       | <b>104</b>   | <b>935,885</b>      | <b>1,311,653</b>    | 23                     | 40.2                    |
| General merchandise stores                              | 17              | 16           | 141,299             | 190,994             | (1)                    | 35.2                    |
| Eating and drinking places                              | 34              | 43           | 292,239             | 507,401             | 9                      | 73.6                    |
| <b>Finance/Insurance/Real Estate</b>                    | <b>30</b>       | <b>38</b>    | <b>378,432</b>      | <b>588,301</b>      | 8                      | 55.5                    |
| Real Estate                                             | 16              | 17           | 243,137             | 281,176             | 1                      | 15.6                    |
| Holding and Other Investment Offices                    | 10              | 10           | 76,661              | 121,016             | 0                      | 57.9                    |
| <b>Services</b>                                         | <b>302</b>      | <b>400</b>   | <b>4,268,925</b>    | <b>6,546,483</b>    | 98                     | 53.4                    |
| Business Services                                       | 35              | 30           | 472,950             | 548,901             | (5)                    | 16.1                    |
| Health services                                         | 36              | 77           | 580,610             | 1,545,620           | 41                     | 166.2                   |
| Social Services                                         | 100             | 109          | 1,498,678           | 1,846,904           | 9                      | 23.2                    |
| <b>Public Administration, excluding</b>                 | <b>57</b>       | <b>62</b>    | <b>883,854</b>      | <b>935,730</b>      | 5                      | 5.9                     |
| <b>Federal Government</b>                               |                 |              |                     |                     |                        |                         |
| <b>Nonclassifiable establishments or not applicable</b> | <b>3</b>        | <b>2</b>     | *                   | *                   | (1)                    | *                       |

\* Data is nondisclosable.

NOTE: Industry information is based on the UI wage database and may differ from that supplied by the client on the enrollment form. Clients with more than one employer are assigned to the industry in which the most wages were earned prior to training.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# Economic Review is Mixed

## Usual seasonal trends prevail

**I**n May Alaska's labor market situation appeared typical. Employers in seasonal industries launched large hiring campaigns and rode the usual upward trend in industry employment, adding 11,800 jobs. (See Exhibit 2.) Construction and tourism businesses from the transportation, retail, and services industries spearheaded the gains. Low unemployment rates continue to be a bright spot in the economy. For the last five years Alaska has enjoyed unemployment rates significantly lower than both the 10-year and 20-year averages. May's rate of 5.8% continues the trend.

Mixed theories about the performance of Alaska's seasonal industries have surfaced, but anecdotal evidence pointed towards normal developments. The first wave of visitors arrived and alleviated some of the fears of a poor season. Several tour operators and industry observers reported business as usual, easing some concerns.

## Worries on the salmon scene

The negative outlook for the salmon fishery has not improved. Many fishers express concern that low prices will displace a large portion of Alaska's salmon fleet. May's herring fishery already proved that low prices discourage participation. In some areas first price offerings for red salmon fell below last year's level, which confirms fears of earnings even leaner than in 2001. The only good news came from the Copper River fishing grounds, where the harvest started with bountiful catches and good prices. This fishery's prestige and reputation in salmon markets is growing. Salmon market reports, however, gave cause for continued concern about this year's remaining seasons.

Unlike tourism and fisheries with their mixed expectations, construction stands on solid ground, expecting to book another banner year.

## Over-the year growth slims down

While Alaska's seasonal workforce mobilized in May, over-the-year job growth continued to be moderate. Employment figures posted a gain of 2,300 new jobs over May 2001, a growth rate of eight tenths of a percentage point. This marked a second month of growth rates below one percent for 2002. April and May 2001 employment numbers were very strong, riding on robust oil field services employment, so it is not surprising that this spring's rates reflect only marginal growth in comparison. Job losses in timber and seafood processing employment compounded the negative impacts, and gains in transportation, retail and services industries offset them. Public sector employment gained 1,900 jobs over last year and helped to pull overall job growth into positive territory. (See Exhibit 2.)

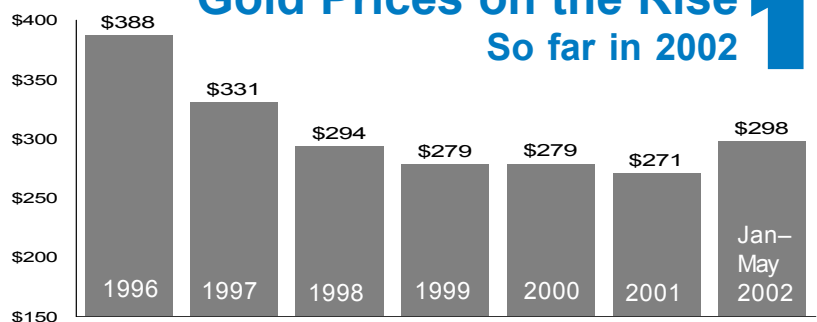
## North Slope has shifted to production

Some of the negatives in Alaska's labor market resulted from completion of oil construction

## Alaska Employment Scene

by  
Brigitta Windisch-Cole  
Labor Economist

## Gold Prices on the Rise So far in 2002



Source: Adapted from Kitco Company, London PM Fix in US dollars

## 2 Nonagricultural Wage and Salary Employment

### By place of work

| Alaska                                | preliminary | revised | Changes from: |        |        | Municipality of Anchorage             | preliminary | revised | Changes from: |       |        |
|---------------------------------------|-------------|---------|---------------|--------|--------|---------------------------------------|-------------|---------|---------------|-------|--------|
|                                       | 5/02        | 4/02    | 4/01          | 4/02   | 5/01   |                                       | 5/02        | 4/02    | 4/01          | 4/02  | 5/01   |
| <b>Total Nonag. Wage &amp; Salary</b> | 295,800     | 284,000 | 293,500       | 11,800 | 2,300  | <b>Total Nonag. Wage &amp; Salary</b> | 141,400     | 138,000 | 140,100       | 3,400 | 1,300  |
| Goods-producing                       | 37,000      | 34,800  | 39,100        | 2,200  | -2,100 | Goods-producing                       | 12,800      | 11,800  | 13,600        | 1,000 | -800   |
| Service-producing                     | 258,800     | 249,200 | 254,400       | 9,600  | 4,400  | Service-producing                     | 128,600     | 126,200 | 126,500       | 2,400 | 2,100  |
| <b>Mining</b>                         | 10,200      | 10,300  | 11,800        | -100   | -1,600 | <b>Mining</b>                         | 2,600       | 2,600   | 3,600         | 0     | -1,000 |
| Oil & Gas Extraction                  | 8,700       | 8,900   | 10,300        | -200   | -1,600 | Oil & Gas Extraction                  | 2,500       | 2,500   | 3,500         | 0     | -1,000 |
| <b>Construction</b>                   | 15,200      | 13,200  | 14,800        | 2,000  | 400    | <b>Construction</b>                   | 7,900       | 7,000   | 7,700         | 900   | 200    |
| <b>Manufacturing</b>                  | 11,600      | 11,300  | 12,500        | 300    | -900   | <b>Manufacturing</b>                  | 2,300       | 2,200   | 2,300         | 100   | 0      |
| Durable Goods                         | 2,400       | 2,200   | 2,900         | 200    | -500   | <b>Transportation/Comm/Utilities</b>  | 15,800      | 15,000  | 15,600        | 800   | 200    |
| Lumber & Wood Products                | 900         | 800     | 1,400         | 100    | -500   | Air Transportation                    | 6,200       | 6,000   | 6,200         | 200   | 0      |
| Nondurable Goods                      | 9,200       | 9,100   | 9,600         | 100    | -400   | Communications                        | 3,700       | 3,500   | 3,600         | 200   | 100    |
| Seafood Processing                    | 6,400       | 6,300   | 6,700         | 100    | -300   | <b>Trade</b>                          | 32,800      | 32,200  | 32,100        | 600   | 700    |
| <b>Transportation/Comm/Utilities</b>  | 28,900      | 26,900  | 28,800        | 2,000  | 100    | Wholesale Trade                       | 6,200       | 6,200   | 6,300         | 0     | -100   |
| Trucking & Warehousing                | 3,200       | 3,100   | 3,200         | 100    | 0      | Retail Trade                          | 26,600      | 26,000  | 25,800        | 600   | 800    |
| Water Transportation                  | 2,000       | 1,700   | 2,000         | 300    | 0      | Gen. Merchandise & Apparel            | 5,300       | 5,200   | 5,000         | 100   | 300    |
| Air Transportation                    | 9,900       | 9,500   | 10,100        | 400    | -200   | Food Stores                           | 2,400       | 2,400   | 2,400         | 0     | 0      |
| Communications                        | 5,600       | 5,500   | 5,400         | 100    | 200    | Eating & Drinking Places              | 10,000      | 9,700   | 9,900         | 300   | 100    |
| Electric, Gas & Sanitary Svcs.        | 2,900       | 2,800   | 2,900         | 100    | 0      | <b>Finance/Insurance/Real Estate</b>  | 7,800       | 7,700   | 7,800         | 100   | 0      |
| <b>Trade</b>                          | 59,500      | 56,300  | 58,600        | 3,200  | 900    | <b>Services &amp; Misc.</b>           | 41,500      | 40,600  | 40,600        | 900   | 900    |
| Wholesale Trade                       | 8,200       | 8,000   | 8,300         | 200    | -100   | Hotels & Lodging Places               | 3,100       | 3,000   | 3,100         | 100   | 0      |
| Retail Trade                          | 51,300      | 48,300  | 50,300        | 3,000  | 1,000  | Business Services                     | 6,300       | 6,100   | 6,400         | 200   | -100   |
| Gen. Merchandise & Apparel            | 10,300      | 9,900   | 9,700         | 400    | 600    | Health Services                       | 10,200      | 10,100  | 9,700         | 100   | 500    |
| Food Stores                           | 6,400       | 6,200   | 6,500         | 200    | -100   | Legal Services                        | 1,200       | 1,200   | 1,200         | 0     | 0      |
| Eating & Drinking Places              | 18,400      | 16,800  | 18,100        | 1,600  | 300    | Social Services                       | 4,400       | 4,400   | 4,300         | 0     | 100    |
| <b>Finance/Insurance/Real Estate</b>  | 12,900      | 12,700  | 12,800        | 200    | 100    | Engineering/Account'g/Research        | 6,100       | 6,100   | 5,800         | 0     | 300    |
| <b>Services &amp; Misc.</b>           | 75,000      | 71,500  | 73,600        | 3,500  | 1,400  | <b>Government</b>                     | 30,700      | 30,700  | 30,400        | 0     | 300    |
| Hotels & Lodging Places               | 7,500       | 6,100   | 7,500         | 1,400  | 0      | Federal                               | 9,700       | 9,600   | 9,700         | 100   | 0      |
| Business Services                     | 8,500       | 8,300   | 8,900         | 200    | -400   | State                                 | 9,800       | 9,800   | 9,300         | 0     | 500    |
| Health Services                       | 18,700      | 18,400  | 17,800        | 300    | 900    | Local                                 | 11,200      | 11,300  | 11,400        | -100  | -200   |
| Legal Services                        | 1,600       | 1,600   | 1,600         | 0      | 0      | Tribal                                | 200         | 200     | 200           | 0     | 0      |
| Social Services                       | 9,200       | 9,100   | 8,800         | 100    | 400    |                                       |             |         |               |       |        |
| Engineering/Account'g/Research        | 8,200       | 8,100   | 8,000         | 100    | 200    |                                       |             |         |               |       |        |
| <b>Government</b>                     | 82,500      | 81,800  | 80,600        | 700    | 1,900  |                                       |             |         |               |       |        |
| Federal                               | 16,900      | 16,300  | 16,900        | 600    | 0      |                                       |             |         |               |       |        |
| State                                 | 24,600      | 24,500  | 23,500        | 100    | 1,100  |                                       |             |         |               |       |        |
| Local                                 | 41,000      | 41,000  | 40,200        | 0      | 800    |                                       |             |         |               |       |        |
| Tribal                                | 3,100       | 3,100   | 2,900         | 0      | 200    |                                       |             |         |               |       |        |

Notes to Exhibits 2, 3, & 4—Nonagricultural excludes self-employed workers, fishers, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska.

Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 4—Prepared in part with funding from the Employment Security Division.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## 3 Hours and Earnings

### For selected industries

|                               | Average Weekly Earnings |            |            | Average Weekly Hours |         |         | Average Hourly Earnings |         |         |
|-------------------------------|-------------------------|------------|------------|----------------------|---------|---------|-------------------------|---------|---------|
|                               | preliminary             | revised    | revised    | preliminary          | revised | revised | preliminary             | revised | revised |
|                               | 5/02                    | 4/02       | 5/01       | 5/02                 | 4/02    | 5/01    | 5/02                    | 4/02    | 5/01    |
| Mining                        | \$1,290.96              | \$1,319.57 | \$1,518.78 | 44.0                 | 44.4    | 51.0    | \$29.34                 | \$29.72 | \$29.78 |
| Construction                  | 1229.96                 | 1111.80    | 1227.07    | 43.6                 | 40.8    | 44.8    | 28.21                   | 27.25   | 27.39   |
| Manufacturing                 | 570.69                  | 536.80     | 508.78     | 31.1                 | 31.3    | 34.8    | 18.35                   | 17.15   | 14.62   |
| Seafood Processing            | 302.22                  | 312.95     | 322.68     | 21.9                 | 24.7    | 32.3    | 13.80                   | 12.67   | 9.99    |
| Transportation/Comm/Utilities | 703.25                  | 714.95     | 703.49     | 33.6                 | 33.9    | 34.3    | 20.93                   | 21.09   | 20.51   |
| Trade                         | 494.88                  | 498.99     | 495.13     | 34.9                 | 34.7    | 34.6    | 14.18                   | 14.38   | 14.31   |
| Wholesale Trade               | 692.03                  | 698.44     | 741.99     | 38.9                 | 38.0    | 39.7    | 17.79                   | 18.38   | 18.69   |
| Retail Trade                  | 467.15                  | 468.54     | 454.95     | 34.4                 | 34.2    | 33.7    | 13.58                   | 13.70   | 13.50   |
| Finance/Insurance/Real Estate | 628.64                  | 680.14     | 612.5      | 35.1                 | 35.5    | 35.0    | 17.91                   | 19.16   | 17.50   |

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 2000

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 4 Nonagricultural Wage and Salary Employment

## By place of work

### Fairbanks

#### North Star Borough

|                                       | preliminary<br>5/02 | revised<br>4/02 | Changes from: |       |      |
|---------------------------------------|---------------------|-----------------|---------------|-------|------|
|                                       |                     |                 | 4/01          | 4/02  | 5/01 |
| <b>Total Nonag. Wage &amp; Salary</b> | 36,000              | 34,600          | 35,200        | 1,400 | 800  |
| Goods-producing                       | 3,500               | 3,150           | 3,500         | 350   | 0    |
| Service-producing                     | 32,500              | 31,450          | 31,700        | 1,050 | 800  |
| <b>Mining</b>                         | 800                 | 800             | 950           | 0     | -150 |
| <b>Construction</b>                   | 2,100               | 1,800           | 1,950         | 300   | 150  |
| <b>Manufacturing</b>                  | 600                 | 550             | 600           | 50    | 0    |
| <b>Transportation/Comm/Utilities</b>  | 3,250               | 3,000           | 3,300         | 250   | -50  |
| Trucking & Warehousing                | 700                 | 650             | 700           | 50    | 0    |
| Air Transportation                    | 1,000               | 1,000           | 1,100         | 0     | -100 |
| Communications                        | 350                 | 350             | 400           | 0     | -50  |
| <b>Trade</b>                          | 6,950               | 6,750           | 6,700         | 200   | 250  |
| Wholesale Trade                       | 750                 | 650             | 700           | 100   | 50   |
| Retail Trade                          | 6,200               | 6,100           | 6,000         | 100   | 200  |
| Gen. Merchandise & Apparel            | 1,150               | 1,150           | 1,150         | 0     | 0    |
| Food Stores                           | 600                 | 600             | 600           | 0     | 0    |
| Eating & Drinking Places              | 2,350               | 2,350           | 2,250         | 0     | 100  |
| <b>Finance/Insurance/Real Estate</b>  | 1,250               | 1,200           | 1,200         | 50    | 50   |
| <b>Services &amp; Misc.</b>           | 9,200               | 8,700           | 8,900         | 500   | 300  |
| Hotels & Lodging Places               | 1,000               | 700             | 1,000         | 300   | 0    |
| Health Services                       | 2,150               | 2,150           | 2,100         | 0     | 50   |
| <b>Government</b>                     | 11,850              | 11,800          | 11,600        | 50    | 250  |
| Federal                               | 3,350               | 3,300           | 3,350         | 50    | 0    |
| State                                 | 5,200               | 5,150           | 5,000         | 50    | 200  |
| Local                                 | 3,300               | 3,350           | 3,250         | -50   | 50   |
| Tribal (no data)                      | -                   | -               | -             | -     | -    |

### Southeast Region

|                                       |        |        |        |       |      |
|---------------------------------------|--------|--------|--------|-------|------|
| <b>Total Nonag. Wage &amp; Salary</b> | 36,850 | 34,300 | 37,300 | 2,550 | -450 |
| Goods-producing                       | 4,300  | 3,950  | 4,650  | 350   | -350 |
| Service-producing                     | 32,550 | 30,350 | 32,650 | 2,200 | -100 |
| <b>Mining</b>                         | 300    | 300    | 300    | 0     | 0    |
| <b>Construction</b>                   | 1,700  | 1,500  | 1,700  | 200   | 0    |
| <b>Manufacturing</b>                  | 2,300  | 2,150  | 2,650  | 150   | -350 |
| Durable Goods                         | 950    | 900    | 1,350  | 50    | -400 |
| Lumber & Wood Products                | 650    | 600    | 950    | 50    | -300 |
| Nondurable Goods                      | 1,350  | 1,250  | 1,300  | 100   | 50   |
| Seafood Processing                    | 1,000  | 950    | 950    | 50    | 50   |
| <b>Transportation/Comm/Utilities</b>  | 3,100  | 2,450  | 3,150  | 650   | -50  |
| <b>Trade</b>                          | 6,600  | 5,700  | 6,800  | 900   | -200 |
| Wholesale Trade                       | 600    | 550    | 600    | 50    | 0    |
| Retail Trade                          | 6,000  | 5,150  | 6,200  | 850   | -200 |
| Food Stores                           | 1,250  | 1,200  | 1,300  | 50    | -50  |
| <b>Finance/Insurance/Real Estate</b>  | 1,300  | 1,300  | 1,300  | 0     | 0    |
| <b>Services &amp; Misc.</b>           | 8,050  | 7,200  | 8,200  | 850   | -150 |
| Health Services                       | 1,750  | 1,750  | 1,700  | 0     | 50   |
| <b>Government</b>                     | 13,500 | 13,700 | 13,200 | -200  | 300  |
| Federal                               | 1,700  | 1,750  | 1,800  | -50   | -100 |
| State                                 | 5,650  | 5,800  | 5,400  | -150  | 250  |
| Local                                 | 6,150  | 6,150  | 6,000  | 0     | 150  |
| Tribal                                | 550    | 550    | 600    | 0     | -50  |

### Northern Region

|                                       |        |        |        |      |      |
|---------------------------------------|--------|--------|--------|------|------|
| <b>Total Nonag. Wage &amp; Salary</b> | 15,700 | 15,900 | 16,500 | -200 | -800 |
| Goods-producing                       | 5,400  | 5,600  | 6,150  | -200 | -750 |
| Service-producing                     | 10,300 | 10,300 | 10,350 | 0    | -50  |
| <b>Mining</b>                         | 4,900  | 5,100  | 5,600  | -200 | -700 |
| Oil & Gas Extraction                  | 4,450  | 4,650  | 5,150  | -200 | -700 |
| <b>Government</b>                     | 5,100  | 5,050  | 4,850  | 50   | 250  |
| Federal                               | 150    | 150    | 150    | 0    | 0    |
| State                                 | 350    | 300    | 300    | 50   | 50   |
| Local                                 | 4,600  | 4,600  | 4,400  | 0    | 200  |
| Tribal                                | 450    | 400    | 400    | 50   | 0    |

### Interior Region

|                                       | preliminary<br>5/02 | revised<br>4/02 | Changes from: |       |      |
|---------------------------------------|---------------------|-----------------|---------------|-------|------|
|                                       |                     |                 | 4/01          | 4/02  | 5/01 |
| <b>Total Nonag. Wage &amp; Salary</b> | 42,000              | 39,500          | 41,350        | 2,500 | 650  |
| Goods-producing                       | 3,800               | 3,400           | 3,800         | 400   | 0    |
| Service-producing                     | 38,200              | 36,100          | 37,550        | 2,100 | 650  |
| <b>Mining</b>                         | 950                 | 950             | 1,100         | 0     | -150 |
| <b>Construction</b>                   | 2,200               | 1,850           | 2,050         | 350   | 150  |
| <b>Manufacturing</b>                  | 650                 | 600             | 650           | 50    | 0    |
| <b>Transportation/Comm/Utilities</b>  | 4,250               | 3,800           | 4,350         | 450   | -100 |
| <b>Trade</b>                          | 8,000               | 7,350           | 7,850         | 650   | 150  |
| <b>Finance/Insurance/Real Estate</b>  | 1,300               | 1,250           | 1,250         | 50    | 50   |
| <b>Services &amp; Misc.</b>           | 10,150              | 9,350           | 9,800         | 800   | 350  |
| Hotels & Lodging Places               | 1,450               | 900             | 1,400         | 550   | 50   |
| <b>Government</b>                     | 14,500              | 14,350          | 14,300        | 150   | 200  |
| Federal                               | 3,850               | 3,650           | 3,950         | 200   | -100 |
| State                                 | 5,450               | 5,400           | 5,250         | 50    | 200  |
| Local                                 | 5,200               | 5,300           | 5,100         | -100  | 100  |
| Tribal                                | 250                 | 300             | 200           | -50   | 50   |

### Anchorage/Mat-Su Region

|                                       |         |         |         |       |       |
|---------------------------------------|---------|---------|---------|-------|-------|
| <b>Total Nonag. Wage &amp; Salary</b> | 155,850 | 151,200 | 153,050 | 4,650 | 2,800 |
| Goods-producing                       | 14,400  | 13,150  | 14,850  | 1,250 | -450  |
| Service-producing                     | 141,450 | 138,050 | 138,200 | 3,400 | 3,250 |
| <b>Mining</b>                         | 2,700   | 2,600   | 3,350   | 100   | -650  |
| <b>Construction</b>                   | 9,250   | 8,200   | 9,050   | 1,050 | 200   |
| <b>Manufacturing</b>                  | 2,450   | 2,350   | 2,450   | 100   | 0     |
| <b>Transportation/Comm/Utilities</b>  | 16,950  | 16,000  | 16,650  | 950   | 300   |
| <b>Trade</b>                          | 36,700  | 35,700  | 35,650  | 1,000 | 1,050 |
| <b>Finance/Insurance/Real Estate</b>  | 8,250   | 8,150   | 8,250   | 100   | 0     |
| <b>Services &amp; Misc.</b>           | 45,200  | 44,000  | 44,150  | 1,200 | 1,050 |
| <b>Government</b>                     | 34,350  | 34,200  | 33,500  | 150   | 850   |
| Federal                               | 9,850   | 9,800   | 9,850   | 50    | 0     |
| State                                 | 10,750  | 10,700  | 10,250  | 50    | 500   |
| Local                                 | 13,750  | 13,700  | 13,400  | 50    | 350   |
| Tribal                                | 250     | 250     | 300     | 0     | -50   |

### Southwest Region

|                                       |        |        |        |     |      |
|---------------------------------------|--------|--------|--------|-----|------|
| <b>Total Nonag. Wage &amp; Salary</b> | 16,550 | 16,450 | 17,000 | 100 | -450 |
| Goods-producing                       | 3,200  | 3,200  | 3,500  | 0   | -300 |
| Service-producing                     | 13,350 | 13,250 | 13,500 | 100 | -150 |
| Seafood Processing                    | 3,050  | 3,050  | 3,300  | 0   | -250 |
| <b>Government</b>                     | 7,200  | 7,100  | 7,150  | 100 | 50   |
| Federal                               | 350    | 350    | 350    | 0   | 0    |
| State                                 | 600    | 500    | 550    | 100 | 50   |
| Local                                 | 6,250  | 6,250  | 6,250  | 0   | 0    |
| Tribal                                | 1300   | 1300   | 1200   | 0   | 100  |

### Gulf Coast Region

|                                       |        |        |        |       |      |
|---------------------------------------|--------|--------|--------|-------|------|
| <b>Total Nonag. Wage &amp; Salary</b> | 28,250 | 26,550 | 28,450 | 1,700 | -200 |
| Goods-producing                       | 5,700  | 5,550  | 6,000  | 150   | -300 |
| Service-producing                     | 22,550 | 21,000 | 22,450 | 1,550 | 100  |
| <b>Mining</b>                         | 1,300  | 1,350  | 1,350  | -50   | -50  |
| Oil & Gas Extraction                  | 1,300  | 1,300  | 1,350  | 0     | -50  |
| <b>Construction</b>                   | 1,400  | 1,150  | 1,400  | 250   | 0    |
| <b>Manufacturing</b>                  | 3,000  | 3,050  | 3,250  | -50   | -250 |
| Seafood Processing                    | 2,150  | 2,150  | 2,300  | 0     | -150 |
| <b>Transportation/Comm/Utilities</b>  | 2,400  | 2,350  | 2,400  | 50    | 0    |
| <b>Trade</b>                          | 5,550  | 4,950  | 5,650  | 600   | -100 |
| Wholesale Trade                       | 350    | 350    | 450    | 0     | -100 |
| Retail Trade                          | 5,200  | 4,600  | 5,200  | 600   | 0    |
| Eating & Drinking Places              | 1,850  | 1,550  | 1,850  | 300   | 0    |
| <b>Finance/Insurance/Real Estate</b>  | 750    | 700    | 750    | 50    | 0    |
| <b>Services &amp; Misc.</b>           | 6,200  | 5,650  | 6,150  | 550   | 50   |
| Health Services                       | 1,250  | 1,250  | 1,250  | 0     | 0    |
| <b>Government</b>                     | 7,650  | 7,350  | 7,500  | 300   | 150  |
| Federal                               | 800    | 700    | 800    | 100   | 0    |
| State                                 | 1,750  | 1,700  | 1,700  | 50    | 50   |
| Local                                 | 5,100  | 4,950  | 5,000  | 150   | 100  |
| Tribal                                | 250    | 250    | 300    | 0     | -50  |

# 5 Unemployment Rates

## By region and census area

|                                 | Percent Unemployed                           |                  |                  |
|---------------------------------|----------------------------------------------|------------------|------------------|
|                                 | Not Seasonally Adjusted preliminary<br>05/02 | revised<br>04/02 | revised<br>05/01 |
| <b>United States</b>            | 5.5                                          | 5.7              | 4.1              |
| <b>Alaska Statewide</b>         | 5.8                                          | 6.7              | 6.1              |
| <b>Anchorage/Mat-Su Region</b>  | 4.6                                          | 5.2              | 4.6              |
| Municipality of Anchorage       | 4.1                                          | 4.6              | 4.1              |
| Mat-Su Borough                  | 6.6                                          | 8.1              | 7.2              |
| <b>Gulf Coast Region</b>        | 8.2                                          | 9.9              | 9.3              |
| Kenai Peninsula Borough         | 9.1                                          | 10.7             | 8.7              |
| Kodiak Island Borough           | 5.8                                          | 7.0              | 11.5             |
| Valdez-Cordova                  | 7.7                                          | 10.5             | 9.0              |
| <b>Interior Region</b>          | 5.7                                          | 6.7              | 6.3              |
| Denali Borough                  | 4.3                                          | 8.4              | 7.4              |
| Fairbanks North Star Borough    | 5.0                                          | 5.8              | 5.6              |
| Southeast Fairbanks             | 10.0                                         | 12.1             | 9.0              |
| Yukon-Koyukuk                   | 15.6                                         | 17.0             | 16.6             |
| <b>Northern Region</b>          | 12.3                                         | 11.8             | 12.1             |
| Nome                            | 12.5                                         | 12.1             | 12.6             |
| North Slope Borough             | 8.9                                          | 8.6              | 9.1              |
| Northwest Arctic Borough        | 16.9                                         | 16.1             | 15.8             |
| <b>Southeast Region</b>         | 6.1                                          | 7.6              | 6.2              |
| Haines Borough                  | 7.2                                          | 11.9             | 8.2              |
| Juneau Borough                  | 4.2                                          | 4.9              | 4.4              |
| Ketchikan Gateway Borough       | 7.2                                          | 9.6              | 7.0              |
| Prince of Wales-Outer Ketchikan | 11.1                                         | 12.2             | 11.2             |
| Sitka Borough                   | 5.2                                          | 5.7              | 3.9              |
| Skagway-Hoonah-Angoon           | 8.2                                          | 11.3             | 8.4              |
| Wrangell-Petersburg             | 6.8                                          | 9.8              | 8.9              |
| Yakutat Borough                 | 13.8                                         | 11.2             | 16.9             |
| <b>Southwest Region</b>         | 12.3                                         | 11.7             | 12.2             |
| Aleutians East Borough          | 3.8                                          | 3.6              | 4.5              |
| Aleutians West                  | 11.7                                         | 9.4              | 11.6             |
| Bethel                          | 12.3                                         | 11.4             | 12.4             |
| Bristol Bay Borough             | 8.8                                          | 12.9             | 7.7              |
| Dillingham                      | 8.8                                          | 11.1             | 9.9              |
| Lake & Peninsula Borough        | 10.4                                         | 11.6             | 10.9             |
| Wade Hampton                    | 22.3                                         | 20.5             | 20.6             |
| <b>Seasonally Adjusted</b>      |                                              |                  |                  |
| United States                   | 5.8                                          | 6.0              | 4.4              |
| Alaska Statewide                | 6.0                                          | 6.6              | 6.3              |

### 2000 Benchmark

Comparisons between different time periods are not as meaningful as other time series produced by Research and Analysis. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. They are considered not in the labor force.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

projects and do not signal poor economic conditions. Developments in Cook Inlet are countering the temporary lull of oil industry activity on the North Slope. Exploration and future development could create jobs on the Kenai Peninsula.

## Is gold mining industry in an “up” cycle?

Good news spread in Alaska’s gold mining camps. Gold prices have substantially risen since January 2002 and were above the \$300 mark on most trading days in April and May, ending a long downturn. (See Exhibit 1.) Demand has picked up in Asia, where private investors hoard gold to safeguard individual wealth. Stagnant low returns on investments and deep cutting losses on Asia’s financial markets are frequently cited as reasons for the demand surge. This has placed Alaska’s two major gold producers in a much more favorable business environment. Plans to build a third mine, the Pogo complex, are progressing. Price developments could also prompt placer miners to resume or step up prospecting effort.

## Several export markets are in a slump

Downturn persists in Alaska’s timber and salmon markets. Foreign competition has worsened Alaska’s position as an exporter to global markets. This situation strongly affects regional economic performance in the state, and largely explains employment losses experienced in the Gulf Coast, Southeast and Southwest Alaska.

The troubled salmon market may bring down seafood processing employment this season. Some processors have announced that they will reduce plant capacity and impose delivery restrictions on their fleets, impacting employment and harvest participation. The economic impact of those lost jobs may be limited because so many of the processing crews are seasonal workers from out of state. Areas with a high percentage of resident workers may experience stronger negative impacts. Developments on the harvester side also cause concern. Low salmon prices mean slim earnings for many local salmon fishers and their crews. Their lower earnings will erode the economic base in fishing communities.

Alaska coal recently joined the ranks of market share losers. Usibelli, Alaska’s only coal mine, severed its international ties with Korea, and laid off about 30 workers. The loss of year round, good paying jobs will be felt in the sparsely populated Denali Borough. Workers hope to regain their jobs when the Healy power plant resumes operations fired with Healy coal, after a proposed retrofit.

## Unemployment rate: a technical note

Alaska’s unemployment rate remains low, however, it has shown some unusual volatility in recent months. The reason may be more statistical than economic. The unemployment rate is an estimate generated from several sample inputs, and it exhibits some variability. At the state level the rate is accurate 90 percent of the time to within 0.5 percentage points. This means that 90 percent of the time the method used to estimate May’s rate of 5.8% would generate an estimate between 5.3% and 6.3%, a rather broad range.

# Employer Resources

Seafood Employers, are you looking for an excellent resource for all your personnel needs? Click on <http://www.jobs.state.ak.us/>, then on **Seafood Jobs**. This site has everything from placing a job order, related seafood links, job fairs and seafood conferences. Take a look!

The screenshot shows the homepage of the Alaska Department of Labor and Workforce Development. At the top, the URL [www.jobs.state.ak.us](http://www.jobs.state.ak.us) is displayed. Below it, a welcome message reads: "Welcome to the Alaska Job Center Network... where people and jobs connect." A sidebar on the left contains a "select a region" dropdown menu with "Alaska's" selected, and a "Labor" link. The main content area features a "FOR EMPLOYERS" section with a "NEW" badge, an "Online Job Order" link, and a description: "Use an existing job order as a template for a new job order." To the right of this is a vertical menu with five items: "Employer Connection", "Job Seeker Resources", "Training and Assistance", "Job Market Information", and "AJCN Partner Resources", each with a "go" button. Below the "FOR EMPLOYERS" section are links for "Alaska's Job Bank", "America's Job Bank", "Seafood Jobs", "Workplace Alaska", and "State Government Job". Further down are links for "Job Fairs Calendar", "Alaska Job Centers", and "Apprenticeship Opportunities". The header of the main content area reads "ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT" and "State of Alaska". Below this are tabs for "Job Seekers", "Workers", "Employers", and "Researchers". A "Department Shortcuts" dropdown menu is in the top right. The main heading is "Employment Security Division - Seafood Jobs in Alaska". Below this is a "LINKS" section with a list of links: "SEAFOOD HOMEPAGE", "\* RECRUITMENT", "\* ANCHORAGE JOB CENTER", "FISHING JOBS IN ALASKA", "ABOUT SEAFOOD PROCESSING JOBS", "SEAFOOD LINKS", "SEAFOOD PROCESSING APPLICATION", and "ONLINE JOB ORDER FORM". A large arrow points from the "Labor" link in the sidebar to the "LINKS" section. Below the "LINKS" section is a "DEPARTMENT LINKS" section with a "Click here to select" dropdown. A large arrow points from this section to the "OTHER STATE LINKS" section, which also has a "Click here to select" dropdown. On the right side of the page, there is a "Welcome to the Seafood Employment Unit" section with a "WARNING: FOREIGN WORKERS, PLEASE READ THIS ANNOUNCEMENT". Below this is a "Current Openings" section with the text "Lists all seafood jobs currently open in the state of Alaska." and a list of jobs, including "WRANGELL - S/FISHERIES TECHNICIAN II - \$ 12.39 PER HOUR". Below the list is a logo for the Alaska Department of Labor and Workforce Development and the Alaska Job Center Network. At the bottom of the page, there are two more sections: "Seafood Recruitment Announcements" with the text "Job fairs, seafood conferences and skilled seafood jobs are posted on this page." and "Seafood Advertising".