The 2017 RENTAL MARKET

Vacancy up in most places, average rent up slightly
By KARINNE WIEBOLD

MILITARY SPENDING in ALASKA

Alaska is third among states for per capita defense spending
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HOW to MONITOR the ECONOMY

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GAUGING ALASKA’s ECONOMY

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Governor Bill Walker recently issued Administrative Order 286 to improve the efficiency and fairness of public contracts. The order directs our department and the Department of Administration to propose regulations to create a pre-qualification process that incentivizes worker safety and labor rights compliance.

This order, and the regulations we will develop, will improve working conditions in Alaska and ensure Alaska-based companies have a level playing field for winning state government contracts.

The government has a responsibility to invest money efficiently and align public spending with our shared values. Governor Walker’s Administrative Order 286 will improve the contracting process by ensuring public contracts go to businesses that abide by the law. It also expresses our values, including respect for workers’ safety and labor rights.

This administrative order will reform the way state contracts are awarded. Right now, law-abiding Alaska companies can be undercut by low bids that are premised on worker exploitation and unsafe working conditions. Instead of encouraging a race to the bottom, state procurement practices should encourage safe workplaces and compliance with existing labor rights laws.

Most Alaska businesses strive to comply with the law, improve workplace safety, and honor their employees’ labor rights. These high-road companies should be at the front of the line for state contracts. They certainly should not be at a competitive disadvantage because they invest in workplace safety, and we should ensure their employees receive the wages they have earned.

Other states and localities have instituted policies like the pre-qualification process being established by Governor Walker. Unfortunately, the federal government has not, and we have seen the consequences of that first-hand in Alaska. A few years ago, a company notorious for abusing labor rights won a low-bid pre-commercial tree-thinning contract in Southeast Alaska.

The employer, who trafficked illegal immigrants for cheap labor, was able to submit low bids because he underpaid his employees and failed to provide basic safety equipment. One of his employees, who was from Mexico, was killed on the job due to faulty equipment and unsafe workplace practices.

This was a lose-lose-lose situation. The federal government had an irresponsible contractor, Alaska workers lost jobs to illegal immigrants whose labor rights were being exploited, and a man lost his life due to his employer’s reprehensible behavior.

In reforming the state procurement process to ensure companies with egregious labor rights violations do not receive state contracts, we are ensuring smart investment of Alaska’s public resources — with law-abiding businesses. For many decades, Alaska has been a state that values workers’ rights and safety. This administrative order builds on that legacy.
THE 2017 RENTAL MARKET

Vacancy rates up in most places, average rent increases slightly

By KARINNE WIEBOLD

The rental housing market hasn’t suffered significant setbacks as a result of the recession and area markets vary, but the overarching trend of near-flat rents and increased vacancies indicate the market is softening.

According to the March 2017 rental survey, Alaska’s average rent for all unit types plus utilities increased by just $7, or 0.6 percent, from last year. The overall vacancy rate rose from 5.8 percent to 7.3 percent.

(See exhibits 1 and 2.)

Overall vacancy above average

Vacancy rates have been trending upward since 2010, reaching a decade high this year (7.3 percent) that’s well above the 10-year average of 5.8 percent. But for historical perspective, the current rate is also about what it was in 2009 and 2007, years Alaska was not in a recession.

Vacancy increased in most areas, and when combined

Average Rent Plus Utilities Remains Fairly Steady

ALASKA, 2000 TO 2017

Notes: Inflation adjustment uses 2016 dollars, as 2017 is not yet available.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2017 Rental Market Survey
### Rental Costs and Vacancy Rates by Area

**ALL UNIT TYPES, MARCH 2017**

<table>
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<tr>
<th>Survey Area</th>
<th>Average Rent</th>
<th>Number of Units</th>
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*Contract rent is the amount paid to the landlord each month, which may or may not include some utilities. Adjusted rent is rent plus all utilities.

**Source:** Alaska Department of Labor and Workforce Development, Research and Analysis Section and Alaska Housing Finance Corporation, 2017 Rental Market Survey

**with near-flat rents it indicates diminished demand for rental units.**

While the state’s population continued to grow overall through 2016, the most recent year available, more people left Alaska than moved in for the last four years, which likely affected the pool of potential renters.

Vacancy rates in Anchorage and Juneau, two traditionally tight markets, remain well below the statewide average at 5.1 percent and 5.7 percent respectively, but both rates are up significantly from 2016, when they were in the 3 percent range. Both cities have been hit by job losses, led by state government declines in Juneau and losses in the oil and gas industry and in professional and business services in Anchorage.

Vacancy rates ranged from 9.9 percent to 12.7 percent in Ketchikan, Kenai, Fairbanks, and the Wrangell-Petersburg area. All four areas’ vacancies increased from 2016, and all but Ketchikan are above their 10-year averages. Vacancy rates in small areas can be particularly volatile from year to year, though, so longer periods are necessary to establish a trend.

### Average rent up 0.6 percent

In 2017, average rent including utilities was $1,245, up just 0.6 percent from 2016. The slight increase was in line with prior years, as rent increases have been minimal over the last eight years.¹ (See Exhibit 1.)

¹All rents in this article are adjusted for inflation.

### About the yearly rental survey

Each March, in cooperation with the Alaska Housing Finance Corporation, the Alaska Department of Labor and Workforce Development surveys thousands of landlords across the state to gather residential rental unit information. Data on approximately 16,500 units provide insight into statewide and local market conditions.

Rent jumped by $51 from 2008 to 2009, but since then, increases have averaged just $5, which factors in two years of rent declines over that period (by less than $10 in 2011 and 2012).

This year, rent went up in half of the 10 surveyed areas, with the largest rent increases in Sitka (7 percent) and Wrangell-Petersburg (6 percent). The Matanuska-Susitna Borough’s average rent went up 2 percent, and Anchorage and Fairbanks saw small rent increases of less than 1 percent.

Rent fell in five areas in 2017. Juneau and Valdez-Cordova rents declined by 2 percent and Ketchikan, Kenai, and Kodiak rents dipped by about 1 percent or less.

### How many paychecks needed to afford rent

The rent and utility affordability index estimates how
many average wage earners it takes to afford the average rent, including utilities, assuming 30 percent of gross income is available for rent. (See Exhibit 4.) Households are considered cost-burdened if they spend more than 30 percent of total income on rent and utilities.

Affording the average rent statewide requires less than one average monthly paycheck, but affordability ranges from a low of nine-tenths of a paycheck in Anchorage to a high of one full paycheck plus an additional third in Kodiak. Kodiak, the Matanuska-Susitna Borough, and Sitka require substantially more than a single average paycheck to afford rent. However, renting in Mat-Su requires less than a single paycheck for workers who commute to Anchorage, which has higher average wages.

Fairbanks and Juneau affordability values have shifted considerably since 2000, but in different directions.

A single Fairbanks wage earner had more wiggle room in 2000, when 83 percent of an average paycheck could pay the rent, but now it’s almost a full monthly wage. Fairbanks rent increased by 25 percent over that period, when adjusted for inflation, while income growth lagged at 9 percent.

In Juneau, a single wage earner can now afford the average rent, down from 1.12 paychecks in 2000. Income has grown by 9 percent in Juneau since 2000 as well, but average rent was 2 percent lower in 2017 than in 2000, when adjusted for inflation.

### Overview of area rental markets

#### Anchorage

The typically tight Anchorage rental market loosened up in 2017. Vacancy increased from 3.8 percent to 5.1 percent, and rent went up by less than 1 percent ($10).

Anchorage had a building boom between 2002 and 2007, during which it added nearly 3,300 new multi-family units. After that, construction slowed to an average of just under 200 new multi-family units per year. The vacancy rate hit a low of 1.8 percent in 2010, then began to climb again and has been on the rise since. This year’s rate is the highest in the past 10 years and well above Anchorage’s decade average of 3.5 percent.

The recent rise in vacancy is likely tied to the city’s...
job losses. Anchorage’s average monthly employment in 2016 was down by about 3,000 from the previous year.

Anchorage’s average rent for all unit types combined has remained near flat for the past decade, with the last significant increase in 2009.

**Matanuska-Susitna**

Rent and vacancies both increased in the Matanuska-Susitna Borough in 2017, sending mixed signals.

Mat-Su, which leads the state in new housing construction, built approximately 250 new multi-family units each year from 2014 to 2016, which likely led to more vacancies.

The vacancy rate more than doubled this year, from 3.6 percent to 7.6 percent. The current rate is well above the decade average of 5.1 percent but lower than it was in 2005 and 2006, when it exceeded 9 percent.

Average rent has been on the rise in Mat-Su over the past 10 years, and it increased 2.4 percent this year, to $1,253.

**Kenai Peninsula**

The rental market in the Kenai Peninsula Borough has softened, with vacancies up and rents down. Average rent decreased by $5 this year, or half a percent, after a jump of $60 in 2016 that followed nearly a decade of mostly moderate increases.

The vacancy rate increased from 8.8 percent to 11.3 percent, which is the area’s highest rate since the mid-2000s and well above the decade average of 7.6 percent. Kenai’s vacancy rate topped out at 13 percent in 2004.

Kenai lost about 400 jobs from 2015 to 2016, which likely contributed to its higher vacancy rate and decrease in average rent.

**Kodiak**

Kodiak’s short-term indicators seem contradictory, with fewer vacancies in 2017 plus a decrease in rent, although the longer-term trend is a weaker market with higher vacancy and lower rent.

The vacancy rate fell to 6.9 percent in 2017 from 8.0 percent the year before, but it’s still above the decade average of 4.3 percent and has been rising since 2010.

Kodiak is one of the few places in the U.S. where the Coast Guard provides a significant amount of its own housing and requires it to be filled before service people can rent in the local market. The Coast Guard buckled down on that requirement a couple of years ago and last year added about 20 units to its housing inventory.

Kodiak also lost 200 jobs between 2015 and 2016, and the military population decreased by about 7 percent between 2012 and 2016. These factors, combined with the new Coast Guard housing units and shifts in housing requirements, are likely contributors to the area’s long-term rise in vacancy.

Average rent fell by $5 in 2017, although at $1,443 it remains the highest among surveyed areas. Inflation-adjusted rent in Kodiak has declined by 1.9 percent since the 2010 peak of $1,472.

**Fairbanks**

The average rent in Fairbanks — $1,208, including utilities — increased by nearly a percent after falling in 2016, but it’s 2.4 percent lower now than when it peaked in 2010, when adjusted for inflation.

Fairbanks’ vacancy rate has swung widely over the past decade. The rate rose to 12.2 percent in 2017, up a full percentage point from 2016 but lower than in 2014 and 2015 when it hovered near 16 percent, its most recent peak. At the opposite extreme, vacancy hit a low of 5 percent in 2010. The 10-year average is near 11 percent, but in the past five years it’s been closer to 13 percent.

Fairbanks, whose rental market is influenced by the military and the university, lost population for several years until growing slightly in 2016. The area’s total population declined by about 1,700 people from 2012 to 2016, the most recent period available.
The borough also lost 600 jobs from 2015 to 2016.

**Juneau**

Juneau’s rental market, which is generally tight, opened up somewhat over the past year as rents went down and the vacancy rate went up. Juneau’s rent fell by 2.1 percent, to $1,305, and the vacancy rate rose from 3.3 percent to 5.7 percent.

Vacancy had been in the 3 percent range for the past six years, although the rate was higher in 2005 and 2009 than it is now.

New construction is one likely factor in the shifting rates. Permits for new multi-family units increased significantly in both 2014 and 2016, totaling more than 300 new units, and those permitted in 2016 could further affect the vacancy rate, depending on when they become available.

Employment loss is also a likely contributor, as the area lost about 300 jobs from 2015 to 2016.

**Sitka**

Unlike most areas, Sitka’s rental market appears to be tightening despite the loss of 300 jobs from 2015 to 2016. Sitka’s vacancy rate declined by nearly a percentage point in 2017 and rents went up 7.2 percent, more than any other surveyed area.

Sitka’s vacancy rate of 7.5 percent is below its 10-year average of 8.5 percent and down from 8.3 percent in 2016.

Rent has bounced around in the past decade, from below $1,200 for several years to as high as $1,310 in 2006. Rents have been on an upward trend since 2014.

This year’s increase of nearly $90 is a large jump, but rent fell by a nearly equal amount from 2010 to 2011. Small areas like Sitka can be particularly sensitive to annual swings.

**Valdez-Cordova**

The rental market in Valdez-Cordova sent mixed signals in 2017, with rents and vacancies both down from the year before. Rent fell 2.1 percent, to $1,337, and the vacancy rate dropped from 5.9 percent to 4.7 percent, the lowest in the survey this year.

Rents in Valdez-Cordova have been up and down nearly every other year for the past decade. Rents and vacancies are more volatile in smaller areas, as a small number of units can spur large percent changes.

While the decade average for vacancies is 5.6 percent, the area’s rate has also been volatile, spiking over 9 percent twice in the last decade and falling below the current rate in four of the last 10 years.

**Ketchikan**

The rental market in Ketchikan, which typically has low rents and relatively high vacancy rates, appears to be softening in the short term but the long-term indicators are harder to read. The vacancy rate rose slightly in 2017 and average rent decreased 1.1 percent, to $1,110.

Ketchikan’s inflation-adjusted rent hit a high of $1,123 in 2010, then fell below $1,100 and remained there for the next five years.

While the 2017 vacancy rate of 9.9 percent is considerably above the statewide average, it’s lower than...
Alaska's natural resources are its most prominent economic drivers, but its strategic location for the military has also brought a lot of money and an enormous amount of infrastructure into the state.

The federal government spent $3.3 billion on defense in Alaska during fiscal year 2015, which included wages for active duty and civilian military employees as well as contracting for construction, maintenance, and other services.

That amount was 30th among states, but given Alaska's small population, those expenditures amounted to $4,446 in federal funding per resident in 2015 — putting Alaska in third among states, per capita. (See Exhibit 1.)

State spending comparisons

Nationally, military spending comes out to $1,270 per U.S. citizen, less than a third of per capita spending in Alaska. The two states with higher federal funding per resident than Alaska were Virginia, at $6,324, and Hawaii at $5,415. Virginia is a hub for military contractors due to its proximity to Washington, D.C. and its low corporate income tax rates. Hawaii, like Alaska, has a strategic military location and a small population.

The two states with the lowest per capita defense spending, Michigan and West Virginia, each received less than $300 per resident.

Breaking down defense funding

Of the $3.3 billion spent in Alaska in 2015, $1.7 billion went to wages for 28,000 personnel. Of those, 20,800 were active duty service members who were supporting 29,300 dependents. Many active duty military families come from outside Alaska, although they spend money in the state during their tour of duty and sometimes take up residency after discharge.

Private companies operating in Alaska received $1.6 billion in contracts. Federal contract spending has been lower since the U.S. recession, dropping from a high of $2.2 billion in 2009. While the national economy has recovered, contract funding is often slower to respond.

The top contractor in 2015 was Arctic Slope Regional Corporation, an Alaska Native corporation, which received payments totaling $245 million.

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By DAN ROBINSON

Picture how complicated the instrument panel looks when you glance into the cockpit of an airplane. A few main screens are prominent in the middle of a pilot’s viewing area, but the rest of the surface is covered with dozens of other gauges.

An economy is similar in that no one measure can tell you everything you need to know, but a handful of relevant indicators warrant constant attention and many more should be regularly monitored.

Starting with this issue, Alaska Economic Trends will include an expanded set of economic measures, each of which offers insight into a key aspect of the state’s economic health. (See page 14.) The measures are presented as “economic gauges” that show at a glance whether the most recent data put the state above or below its 10-year average, with some providing additional context through historical benchmarks and comparisons to the U.S. economy.

The three major gauges

As with a cockpit dashboard, the three big, detailed gauges — job growth, the unemployment rate, and gross domestic product growth — provide some of the most fundamental information about the health of Alaska’s economy.

In most economies, jobs are front and center when assessing economic health, and how many is generally less important than whether the number is increasing or decreasing.

Second, the unemployment rate is a related but complicated measure of the percentage of people who aren’t working but are actively seeking work, meaning it excludes those who retire or enter college, for example. Although the unemployment rate can send mixed signals about economic health, it has long been one of the most prominent economic measures.

The third gauge, state gross domestic product, is similar to job growth in that its relevance lies more in whether the value of what the economy produces is increasing or decreasing than in the value itself.

The upper and lower limits of the gauges give some sense of how high and low the measures could move based primarily on history. Some of those telling moments in history, both for Alaska and the United States, are identified on the left side of the gauges. On the right side are the most current data point for Alaska and, for comparison, the same data point for the U.S.

Timing is an issue

When interpreting what the individual measures are saying, especially collectively, it’s important to keep in mind that unlike airline pilots, economic analysts
Individuals’ stories often differ from the story the numbers tell

Economic data showing the relative health of an economy are frequently met with the very human response of, “Nonsense. Things are much worse (or better) than that for me and my neighbors.” A person who has just lost a job or had to lay off employees because of an economic downturn may not want to hear that things aren’t that bad or that they were much worse back in the day.

The nature of economic data is to provide information in aggregate for an economy. Anecdotes about individuals’ experiences with job loss, lower wages, foreclosures, or bankruptcy, for example, humanize the information and make it more real and comprehensible for general interest newspaper and magazine readers. However, the fact that some people’s experiences are better or worse than what the aggregate economic data show for the population as a whole doesn’t mean the data are faulty.

Knowing to what extent the economy as a whole is under stress is key information for businesses, policy makers, and job seekers. An individual story of economic hardship may have more emotional punch, but the aggregated data — all of those individual stories rolled up into one more complete picture — are the foundation for good economic decision-making.

Zooming in on the big three

The job growth gauge shows that Alaska’s job count was down 1.7 percent in June 2017, the most recent month available, from the previous June and that our 10-year average for job growth is 0.4 percent. (See Exhibit 1.)

The gauge also shows that U.S. employment grew 1.5 percent over the same period and that Alaska’s current job loss is much smaller than the worst of Alaska’s deep 1980s recession, when it bottomed out at -7.5 percent, and smaller than the nation’s job loss (-5.0 percent) during the trough of the past decade’s “Great Recession.”

The gauge also shows high-water marks for the state as it roared out of the ’80s recession, recording growth as high as 6.6 percent, and the last time Alaska added jobs at a rate of over 2 percent: May of 2012.

The second gauge shows that the state’s unemployment rate of 6.6 percent, though substantially above the U.S. rate of 4.4 percent, is slightly below its 10-year average (7.0 percent). However, more revealing than how Alaska’s current rate compares to its 10-year average or historical rates is the fact that it’s the highest in the country. With the exceptions of the few other oil-dependent states, most of the U.S. economy is doing well, and unemployment rates for other states and the country as a whole have been on a long downward trend.

The fact that Alaska’s rate hasn’t risen more, given more than a year of job losses, raises a handful of questions. The answers are mostly speculative for now, given data limitations, but the most likely explanation is that people who lose their jobs have strong incentives to look for work in other states with low unemployment and strong hiring while Alaska’s pros-
pects remain uncertain at best.

The third gauge shows Alaska’s gross domestic product growth. Because GDP data at the state level can be volatile, the gauge gives a four-quarter moving average, not adjusted for inflation.

As of the fourth quarter of 2016, the value of the goods and services produced in the state was down 0.5 percent from the prior year, well below the 3.0 percent GDP growth in the U.S. economy when using a comparable calculation.

Alaska’s most recent decline is much more moderate than both the low point during the state’s current recession — a drop of 8.4 percent in the fourth quarter of 2015 — and the U.S. declines during the worst part of the Great Recession.

What the gauge doesn’t show is that it represents the fourth year in a row of decline and the first time in the state GDP’s modern history that the value has decreased for more than a year. For more detail on the state GDP, see the July issue of *Trends*.

**Seven additional measures**

Page 15 provides seven additional measures — initial claims for unemployment insurance, wage growth, personal income growth, change in house prices, foreclosure rates, population growth, and net migration — using simple gauges displaying the most recent data, the state’s 10-year average, and highs and lows that roughly correspond with historical highs and lows.

In five of these seven measures, Alaska is below its 10-year averages. In two, though — initial claims for unemployment insurance and the foreclosure rate — Alaska is on the positive side of the decade average.

**Up usually means strength, and down shows weakness**

For all of the gauges, the top half represents relative economic strength and the bottom half indicates weakness. Some of the measures demand a closer look, though, especially when they don’t seem to mesh with what the others suggest.

For example, initial claims for unemployment insurance, an indicator where more claims generally signal economic distress and fewer claims means the opposite, are substantially lower than the state’s 10-year average.

That might reflect fewer-than-normal layoffs in recent weeks, but because initial claims have been low throughout the state’s current recession, it might also mean people aren’t filing for unemployment insurance, despite losing their jobs. As discussed above, that could be because people who lose their jobs in Alaska are quickly finding work in other states and not filing. But it also raises the question of whether eligible people in the state, for whatever reason, are choosing not to file for benefits.

This highlights one of the objectives of presenting the information this way: to show how complex economies are, with many moving parts and information that can appear contradictory. Often, those apparent contradictions are opportunities for closer examination in accompanying or future *Trends* articles.

On the other hand, foreclosure rates, the other measure showing that Alaska is in a position of relative economic strength, is refreshingly simple. Fewer foreclosures are nearly always positive.

Foreclosures and housing prices have both attracted a lot of attention during the current recession because both showed such dramatic change during the state’s 1980s recession. This time, though, foreclosures have remained very low and housing prices have held up well, although a decline in the first quarter of 2017 suggests the recession is beginning to affect the housing market.
Monitoring doesn’t necessarily mean controlling

Finally, with all the comparisons to control panels, it’s important to note that the ability of policy makers, businesses, or anyone else to move the measures in the short term is limited. Sound policy making, wise investments, and an entrepreneurial citizenry can help create long-term economic health, but state economies are far too large, stable, and complicated to either crash or soar in the short term based on the pull of this or that lever.

In that sense, our economy is more like a glider than a plane. If it’s well constructed and maintained, it’s much more likely to fly well in a variety of conditions, many of which are largely out of our control.

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RENTAL MARKET

Continued from page 8

average for Ketchikan and lower than it was in five of the last 10 years. Ketchikan’s decade average vacancy rate is 10.4 percent.

Wrangell-Petersburg

Wrangell-Petersburg’s survey results were mixed, with rent and vacancies both spiking in 2017. Average rent was $944, up 6.3 percent, which was the second-largest rent increase this year, after Sitka.

Until 2016, Wrangell-Petersburg’s rent had been on a slow decline for much of the last 10 years. The area has the lowest rent but also the lowest average wages of surveyed areas.

The area vacancy rate hit 12.7 percent this year, up from 9.7 percent in 2016 and far above the decade average of 6.9 percent. This year’s rate is also the highest since it topped out at nearly 19 percent in 2005, after which it remained elevated for the next two years.

Wrangell-Petersburg is the smallest area surveyed, and small areas tend to have large swings in vacancy rates.

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Gauging Alaska’s Economy

Job Growth
- June 2017

Job growth is one of the most reliable and simple measures of economic health.

Unemployment Rate
- Seasonally adjusted June 2017

The unemployment rate is an important but complicated measure, especially in Alaska with its large migration flows.

GDP Growth*
- 4-quarter moving average, annualized growth, Q4 2016

Gross domestic product growth is a measure of the market value of all the goods and services produced in Alaska.

- Current job losses are much less severe than during our 1980s recession or during the worst months of the U.S. “Great Recession.”

- While Alaska has been losing jobs since late 2015, the U.S. has been adding jobs at a steady, moderate rate since late 2010.

- The unemployment rate can be relatively low in a weak economy if job losers leave the state to look for work.

- Despite a very strong economy in the early 1980s, unemployment rates were in the 9 to 10 percent range.

- GDP is an important measure, but gains and losses have a diluted impact on the state economy to the degree that producers are national and international entities.

- Current declines are not the deepest in the state’s history, but they are the longest. (See the July 2017 issue of Trends.)

*In current dollars (not adjusted for inflation)
Gauging Alaska’s Economy

Initial Claims
Unemployment, week ending July 8, 2017

- For a variety of reasons, initial claims are well below the 10-year average despite job losses.

Wage Growth
2015 to 2016

- Wage growth is a simple, clear indicator of economic health. The 2016 losses are the worst since 1987 (-6.4%).

Personal Income Growth
4-qtr moving avg, Q1 2017

- Personal income includes wages as well as government transfer payments and “interest, dividends, and rents.” Declines have been small so far.

Change in House Prices
1st Quarter 2017

- This is a somewhat volatile indicator, but the first quarter decline suggests the recession is starting to affect the housing market.

Foreclosure Rate
1st Quarter 2017

- Unlike the 1980s Alaska recession or the U.S. Great Recession, foreclosure rates remain low so far.

Population Growth
2015 to 2016

- Unlike the 1980s Alaska recession, population has remained relatively stable so far. New estimates for 2017 will be released in the late fall.

Net Migration
2015 to 2016

- More people have left Alaska than have moved here for the past several years, but the losses have been much smaller than during the 1980s recession. Natural increase (births minus deaths) has roughly offset migration losses.
Employment by Region

Percent change
June 2016 to June 2017

-9.7%
-1.6%
-0.4%
-1.7%
-2.0%
+0.5%

Unemployment Rates

Seasonally adjusted
Not seasonally adjusted

Regional, not seasonally adjusted

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Prelim. Revised 6/17 5/17 6/16

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How Alaska Ranks

**Unemployment Rate**
- **50th**
- 6.8%

**Job Growth**
- **50th**
- -1.7%

**Average Hourly Earnings, Private**
- **8th**
- $27.65

**Per Capita Personal Income**
- **8th**
- $55,601

**Gross Domestic Product by State**
- **45th**
- $53 bil

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1. June seasonally adjusted unemployment rates
2. June employment, over-the-year percent change
3. June 2017
4. First quarter 2017
5. 2016

### Other Economic Indicators

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Current</th>
<th>Year ago</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Anchorage Consumer Price Index</strong> (CPI-U, base yr 1982=100)</td>
<td>218.616</td>
<td>216.999</td>
<td>+0.75%</td>
</tr>
<tr>
<td><strong>Commodity prices</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crude oil, Alaska North Slope,* per barrel</td>
<td>$43.63</td>
<td>April 2017</td>
<td>$32.02</td>
</tr>
<tr>
<td>Natural gas, residential, per thousand cubic ft</td>
<td>$11.38</td>
<td>April 2017</td>
<td>$9.65</td>
</tr>
<tr>
<td>Gold, per oz. COMEX</td>
<td>$1,273.20</td>
<td>8/2/2017</td>
<td>$1,372.60</td>
</tr>
<tr>
<td>Silver, per oz. COMEX</td>
<td>$16.64</td>
<td>8/2/2017</td>
<td>$20.70</td>
</tr>
<tr>
<td>Copper, per lb. COMEX</td>
<td>$287.65</td>
<td>8/2/2017</td>
<td>$220.90</td>
</tr>
<tr>
<td>Zinc, per MT</td>
<td>$2,780.00</td>
<td>8/1/2017</td>
<td>$2,275.00</td>
</tr>
<tr>
<td>Lead, per lb.</td>
<td>$1.04</td>
<td>8/1/2017</td>
<td>$0.81</td>
</tr>
<tr>
<td><strong>Bankruptcies</strong></td>
<td>130</td>
<td>Q2 2017</td>
<td>115</td>
</tr>
<tr>
<td>Business</td>
<td>8</td>
<td>Q2 2017</td>
<td>13</td>
</tr>
<tr>
<td>Personal</td>
<td>122</td>
<td>Q2 2017</td>
<td>102</td>
</tr>
<tr>
<td><strong>Unemployment insurance claims</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Initial filings</td>
<td>5,022.00</td>
<td>June 2017</td>
<td>4,818.00</td>
</tr>
<tr>
<td>Continued filings</td>
<td>33,544.00</td>
<td>June 2017</td>
<td>41,035.00</td>
</tr>
<tr>
<td>Claimant count</td>
<td>8,934.00</td>
<td>June 2017</td>
<td>10,638.00</td>
</tr>
</tbody>
</table>

*Department of Revenue estimate

Sources for pages 14 through 17 include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Census Bureau; COMEX; Alaska Department of Revenue; and U.S. Courts, 9th Circuit
Employer Resources

Hiring workers with disabilities benefits business, community

The U.S. Department of Labor’s Office of Disability Employment Policy contains comprehensive resources for employers who recognize the significant return on investing in an inclusive workforce.

ODEP states: “Today more than ever, businesses need people with a demonstrated ability to adapt to different situations and circumstances. And perhaps more than any other group, people with disabilities possess precisely these attributes. On a daily basis, people with disabilities must think creatively about how to solve problems and accomplish tasks. In the workplace, this resourcefulness translates into innovative thinking, fresh ideas, and varied approaches to confronting business challenges and achieving success. What’s more, research shows that consumers both with and without disabilities favor businesses that employ people with disabilities. But while research shows that a workplace inclusive of people with disabilities is good for business, not all employers know how to effectively recruit, retain, and advance such individuals.”

ODEP topics include building an inclusive workforce, disability etiquette, tax incentives, accommodations and accessibility, and how an inclusive workplace is good for business by demonstrating leadership to community, stakeholders, and competitors. These resources are available at: http://www.dol.gov/odep/topics/Employers.

Alaska employers benefit from the collaborative efforts of several state and federal agencies that specialize in disability awareness, recruitment, and employment. The Department of Labor and Workforce Development’s divisions of Vocational Rehabilitation and Employment and Training Services are foremost among the agencies employers partner with to learn about recruiting and employing qualified Alaskans with disabilities. Local Alaska Job Center staff will guide you as you develop your disability employment strategy and find applicants to meet your business needs. Federal contractors in particular may benefit from this partnership by hiring people with disabilities (including veterans) as they strive to reach affirmative action goals.

Be a hero to your staff, an innovator in your community, and a leader among competitors. Get started today by contacting your nearest Alaska Job Center at (877) 724-2539 or http://jobs.alaska.gov/offices.

Safety Minute

Steps to recognize and mitigate wildlife hazards

In Alaska, workers at outdoor sites are often exposed to potential wildlife encounters, and the number of recent bear attacks is a good reminder to employers to review their responsibilities when it comes to wildlife hazards and employee safety. Employers are responsible for training employees to recognize and avoid all workplace hazards, whether from bears, electricity, or chemicals.

The following workplace guidelines are a starting point:

• Assess any actual or potential hazards in the workplace, and involve employees in the evaluation and discussion, when feasible. Make hazard identification part of the job planning process, integrate hazard control or elimination at the onset of the work, and continue that vigilance throughout the task, project, or season.

• Train employees to recognize and avoid unsafe conditions, using recognized safety strategies and techniques to control or eliminate any identified hazards.

• Develop and enforce company policies specific to wildlife safety. Employer safety programs often overlook written programs and associated employee training.

• Provide first aid training. AKOSH/OSHA standards dictate that if hazardous flora or fauna are present, employees must know what to do in the event of an injury.

A number of resources on safety around wildlife, and specifically bears, are available to employers. For more on bear safety, visit:

http://dnr.alaska.gov/parks/safety/bears.htm
http://www.adfg.alaska.gov/?adfg=livingwithbears.bearcountry
http://dnr.alaska.gov/parks/units/kodiak/kodbeart.htm


Safety Minute is written by the Labor Standards and Safety Division of the Alaska Department of Labor and Workforce Development.