ALASKA ECONOMIC TRENDS

DECEMBER 2010

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ALASKA DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
Governor Sean Parnell
Commissioner Click Bishop

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Cover: Pacific walruses at Cape Peirce in Togiak National Wildlife Refuge. Photo courtesy of U.S. Fish and Wildlife Service.

Corrections
The average rent for a two-bedroom apartment in Kodiak is $1,267. The number was incorrect in Exhibit 12 on page 9 of August's *Trends*.

We have updated Exhibit 5 on page 13 of September's online issue of *Trends* to reflect revised U.S. Bureau of Labor Statistics educational and training-level information.

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New scholarship one way to invest in our growing population

By Commissioner Click Bishop

This month's Trends focuses on Alaska's population, which is projected to increase 25 percent by 2034, from roughly 692,000 to more than 862,000 people. We expect Alaska's senior population, age 65-plus, to more than double and Alaska Native numbers to grow by more than 45,000, to almost 20 percent of our population.

The Alaska Department of Labor and Workforce Development, Research and Analysis section's projections are more than just head counts. Our state, local, and tribal governments use the data for planning for new schools, roads, police, and fire departments. The numbers are used to allocate funds for everything from job training and housing to community development and health care services.

Community organizations use the numbers to develop social service and community action projects. Businesses use the numbers to decide where to locate retail centers, movie theaters, banks, and offices — most often leading to new jobs.

Population information helps health care providers predict the spread of diseases through communities with elderly people and children. And during floods, tornadoes, or earthquakes, the numbers help rescuers plan for how many people will need help.

R&A's projections show the number of working Alaskans will also increase by 11 percent, to almost 490,000. As the "boomer" generation retires, jobs will open for succeeding generations.

As we move into the second decade of this century, we must continue to explore and develop ways to ensure the long-term vitality of Alaska's workforce. Often, that means investing now in workforce development to obtain significant returns in the future.

A new program would provide some of that investment for university or vocational training in Alaska. The Alaska Performance Scholarship, which aims to improve Alaska's student performance and future opportunities, was created this year after being proposed by the Parnell administration and passed into law by the Legislature.

This scholarship will provide annual awards of up to $4,755 to qualifying high school graduates who pursue university or vocational training in Alaska. Beginning with Alaska's high school class of 2011, graduates may qualify for the Alaska Performance Scholarship, with 2011-12 funding to be determined no later than May 1.

The State Board of Education and Early Development recently approved and began phasing in 2011 curriculum regulations, which should be fully implemented by 2013. Students who graduate in 2011 will need five or more credits of math and science, a GPA of 2.5 or higher, and scores of at least 21 on the ACT or 1450 on the SAT. Students pursuing a career and technical education certificate program may substitute WorkKeys scores of 5 or higher for an ACT or SAT.

Current high school freshmen and sophomores should prepare to take the full curriculum, including four years of English, four years of social studies, and either four years each of math and science or three years each of math and science plus two years of a foreign or Alaska Native language.

For more information, including funding status, detailed eligibility requirements, and how to apply, go to: aps.alaska.gov.

By ELISABETH MERCER, Demographer

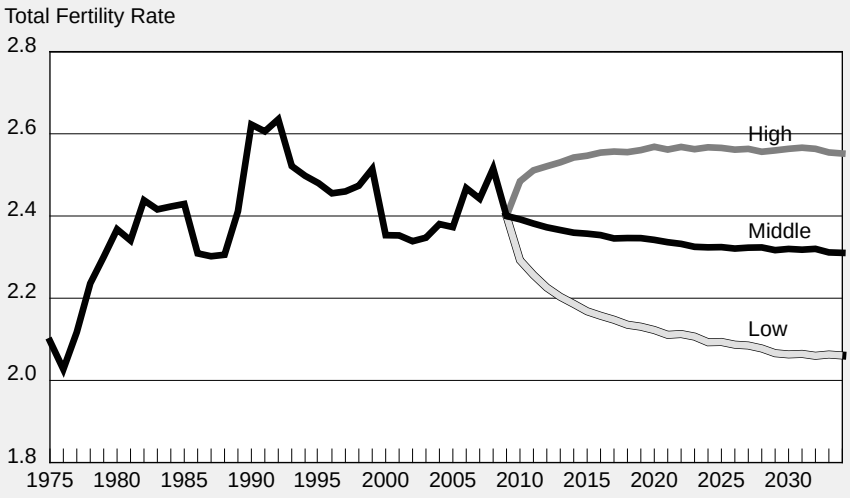
Population Projections, 2010 to 2034

Alaska by age, sex, and race

Population projections tell us more than how many people we should expect — they tell us what kinds of services we'll need to support the future population. Alaskans use these projections to plan for social services like nursing homes, schools, and hospitals. This article is an overview of projected numbers for the state, regions, and borough/census areas as well as the Alaska Native population. It also summarizes how the Department of Labor makes these projections and explains components of change (mortality, fertility, and migration).

The state's total population is projected to increase by nearly 25 percent from 2009 to 2034, growing from 692,314 to 862,750 people. The number of seniors (age 65-plus) is expected to grow the most of any age group, more than doubling in size as Alaska's baby boomers age. Alaska's Native population is projected to increase by more than 45,000 by 2034.

1 Total Fertility Rate
Alaska, 1975 to 2034



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

Projected population growth varies significantly across the state and in each of the economic regions, with the largest gain of about 38 percent in the Anchorage/Matanuska-Susitna region by 2034. By contrast, the projection for Southeast is a drop of 14.2 percent over the same period.

Methodology

Rather than building forecasts on economic factors, demographers base projections on the current population and historical trends in each of the components of population change. Specifically, they "age" the population[1] of each sex while accounting for natural increase (births minus deaths) and migration (in-migration and out-migration)[2]. However, past and current economic conditions also affect demographic variables[3].

Statewide, the demographers repeated the projections 2,000 times with random combinations of potential fertility and migration numbers, while keeping the age-specific mortality, or death rate, fixed. The projections took into account variations in recent trends of natural increase and migration, which gave a statistically valid[4] high and low projection range at the state level. There is a 90 percent chance that the actual values will fall

[1] For example, if a person is 10 years old in 2009, he or she will be 35 in the 2034 projection.
[2] This method is the "cohort component method."
[3] For example, fertility rates may drop during a recession.
[4] The probabilistic projection method provided a probability distribution for Alaska's future population, by sex and single years of age. After calculating 2,000 sets of component paths for each age and sex, the demography unit applied them to a cohort component projection model. More specifically, Leslie Matrices were used to project natural increase, with projected vectors of migrants added at each step. This process generated a distribution of 2,000 potential population paths from 2010 to 2034. The sums of the boundaries of the 90 percent confidence intervals for each age-by-sex are reported as the 90 percent confidence high and low variants.

within the range. These ranges do not account for all future uncertainty, such as state economic and social changes.

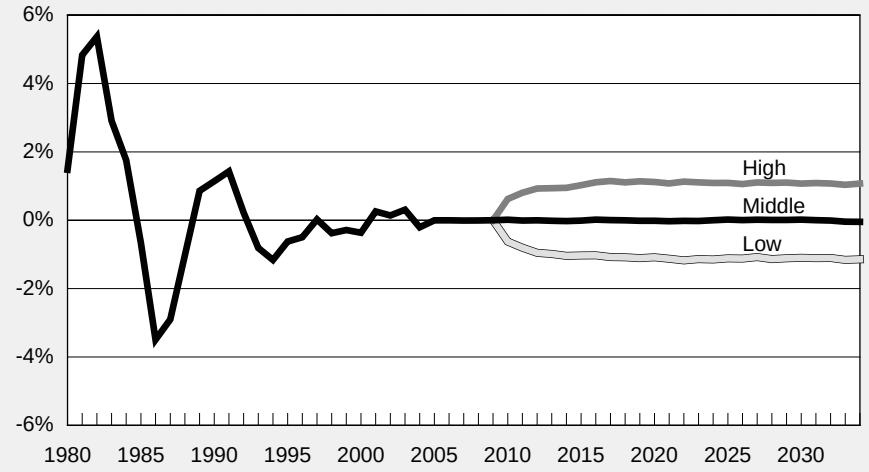
High and low ranges are not statistically significant at the regional and borough/census area levels, as they are adjusted to add up to the state's ranges to attempt to capture the uncertainty of these projections.

Mortality

Mortality rates across all age groups refer to a person's life expectancy at birth if that person lived according to age-specific mortality rates that year. Just as the makeup of Alaska's population varies greatly among groups, so does life expectancy. Overall, Alaska's life expectancy has been similar to that of the nation. From 2000 to 2034, life expectancy for Alaskan males is expected to rise from 74.9 to 79.9 years, and from 79.7 to 83.6 years for females.

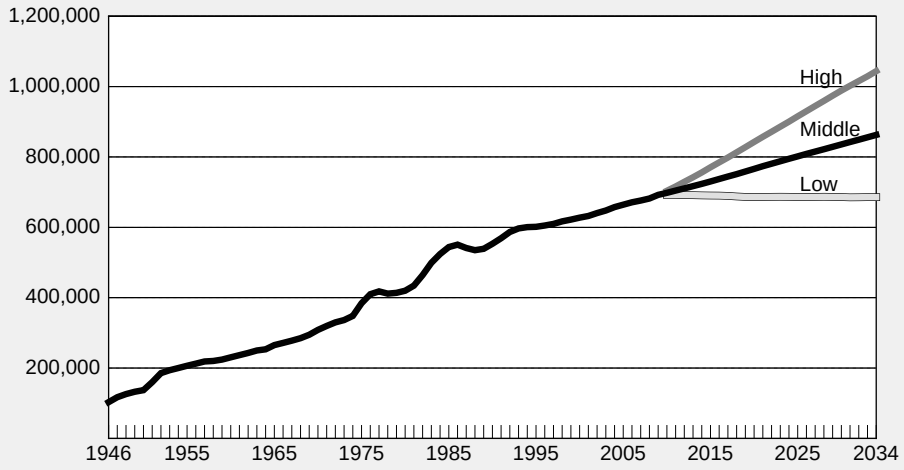
Mortality is the most predictable component of change for Alaska's population. It has been relatively stable over recent history, and is expected to continue improving, following the U.S. Social Security Administration's projected future changes in U.S. mortality.

Net Migration Ratio **2**
Proportion of Alaska's Total Population, 1980 to 2034



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

Alaska's Population **3**
1946 to 2034



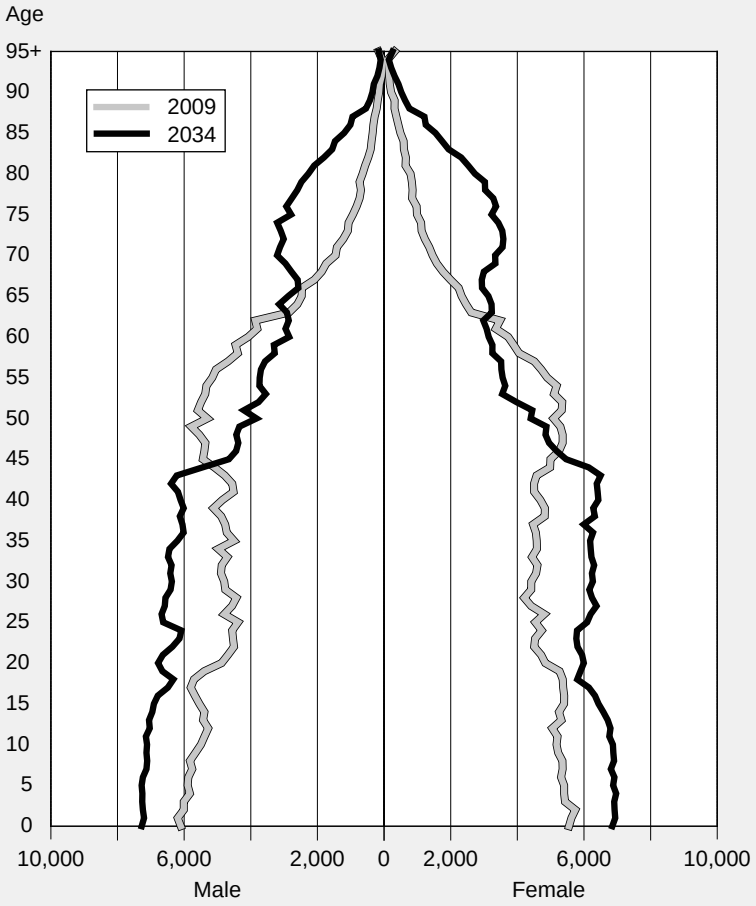
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Fertility

The level of fertility, or births, is expressed in the Total Fertility Rate (TFR). The TFR for a specified year is the average number of children that a woman would bear if she followed that year's age-specific fertility rates throughout her childbearing years. A TFR of 2.1 children per woman would be necessary for natural increase (births minus deaths) to break even. Alaska's TFR ranks among the highest in the U.S, allowing for robust and steady growth. Even if net-migration (in-migration minus out-migration) were zero, Alaska would continue to grow from natural increase alone.

Fertility varies greatly across the state, with estimated TFR ranging from 5.1 children per woman in the Wade Hampton Census Area to just 1.3 in the Aleutians West Census Area. However, the current global trend of rural-to-urban migration results in lower overall fertility rates. Assuming that continues in Alaska, the state's projected fertility rate is likely to be 2.3 in 2034, down from the 2009 estimate of 2.4. The statistical model estimated the level of uncertainty around this value by using variance from recent decades.

4 Population By Age and Sex
Alaska, 2009 and 2034[1]



[1] Middle projection series
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Exhibit 1 shows the projected levels of TFR through 2034. There is a 10 percent chance TFR will fall outside these bounds in any given year, so it is likely to be outside this range at some point over the next 25 years.

Migration

The most volatile component is migration, which is affected by the economy in Alaska and the Lower 48. Wars, pipeline construction, and the oil boom led to significant influxes of new residents throughout Alaska's modern history, while base closures, pipeline completion, and the oil bust prompted people to leave. However, large-scale economic events like the construction of the oil pipeline are unlikely over the next 25 years. Even construction of a natural gas pipeline probably would not reach that level of impact. Therefore, migration rates are likely to remain stable.

The projection model considered two ratios of migration (migrants divided by total population): in-migration and out-migration. The model estimated with 90 percent certainty that Alaska's net-migration will fall within about 1 percent of Alaska's population in a given year through 2034. (See Exhibit 2.) For example, if population is projected to be 700,000 in a given year, there is a 90 percent chance that net-migration will be within +/- 7,000 people. However, as with TFR, net-migration is likely to fall outside the predicted range at some point over the next 25 years, as it's 10 percent likely to do so in any given year.

Special populations

The military makes up a large portion of the population in Anchorage, Fairbanks, Denali, and Kodiak, and these military populations were held constant over the projection period to avoid "aging" these populations, which would underestimate residents in their 20s and 30s. Fish processing (group quarters) populations in Aleutians East and Aleutians West were also kept constant to prevent errantly "aging" these transient populations.

Statewide projections

Though the department projects a total statewide population increase through 2034 (see Exhibits 3 through 6), the annual rate of growth will likely slow over the projection period because of the expected increase in deaths relative to births. However, as stated earlier, the state is expected to continue growing even if net-migration were zero. By 2014, the most likely scenario is a population of 723,619, with 794,975 people in 2024 and 862,750 by 2034. The level of uncertainty greatly increases with time.

Projections for age groups

Alaska's population 4 years of age and younger is projected to increase by 22.3 percent, from 57,899 to 70,805 children between 2009 and 2034. (See Exhibit 6.) Numerous potential levels of fertility and migration cause greater uncertainty for younger age groups.

The most likely scenario for school-age children (ages 5 to 17) is 25.7 percent growth, from 141,873 to 178,392 people between 2009 and 2034. With the "echo boom" cohort (the children of baby boomers) now entering working ages, the short-term projection for the school-age group supports slow growth; but further into the future, the projected total school age population will grow at a steady pace.

Alaska's working-age population (ages 18 to 64) is currently 440,279 people, and is likely to increase by 11 percent over the projection period to 488,696 in 2034. As baby boomers become retirees, the echo boomers will move into the working ages, yielding almost no change in the overall working-age population for the majority of the period.

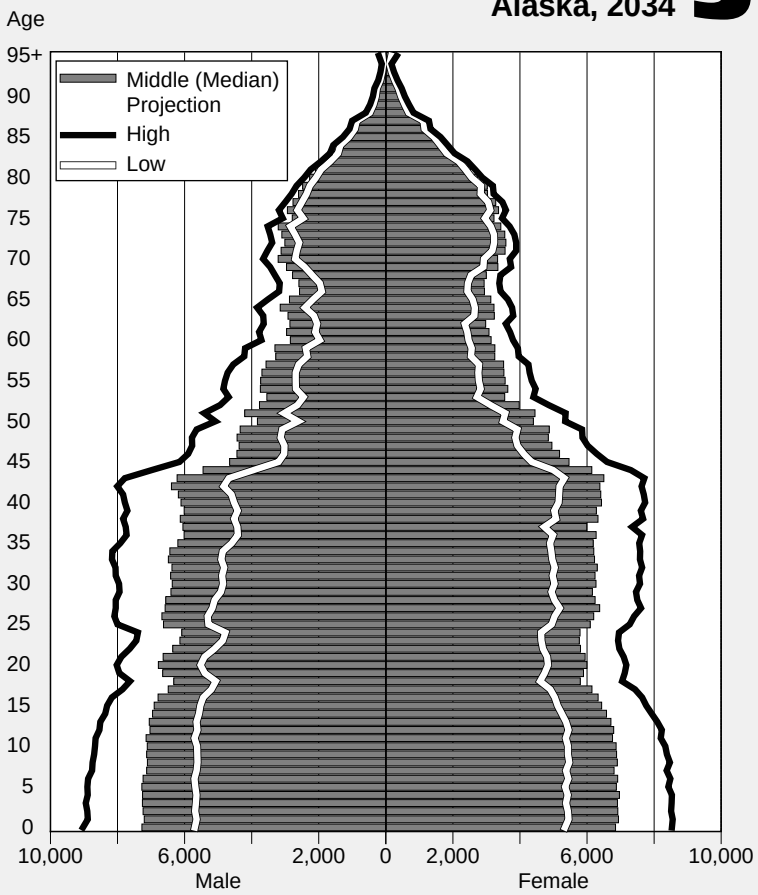
As mentioned earlier, retirees (ages 65 and older) are likely to more than double by 2034. This is attributable to Alaska's large number of baby boomers reaching age 65 and older in 2009, representing 7.5 percent of the state's population. That number is projected to climb 138.9 percent (to 124,857) by 2034, when it would represent 14.5 percent of the population. (See Exhibit 7.) The U.S. Census Bureau projects a similar trend for the nation as a whole, with the proportion age 65 and older in the U.S. increasing from 12.9 percent in 2009 to 19.8 percent in 2034.

Increasing dependency ratios

Dependency ratios show the burden of support on the working-age population to care for the young and old, traditionally nonworking populations. In 2009, every 100 Alaskans of working age supported 45.4 people under age 18, and 11.9 people over age 65, which adds up to a total dependency ratio of 57.3. Each of these figures is expected to rise over the next 25 years. (See Exhibits 7 and 8.)

With the aging of Alaska's echo boom, the youth dependency ratio will probably first decrease to 45.2 in 2014, then rise to 50.0 in 2024 and 51.0 in 2034. The aged dependency ratio is projected to increase to 14.6 by 2014, then 23.5 by 2024, and 25.5 by 2034. Though there is uncertainty in the specific figures for the aged dependency ratio, it is certain it will climb dramatically over the next 25 years.

Population By Age and Sex
Alaska, 2034 **5**



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

Projections for regions and boroughs/census areas

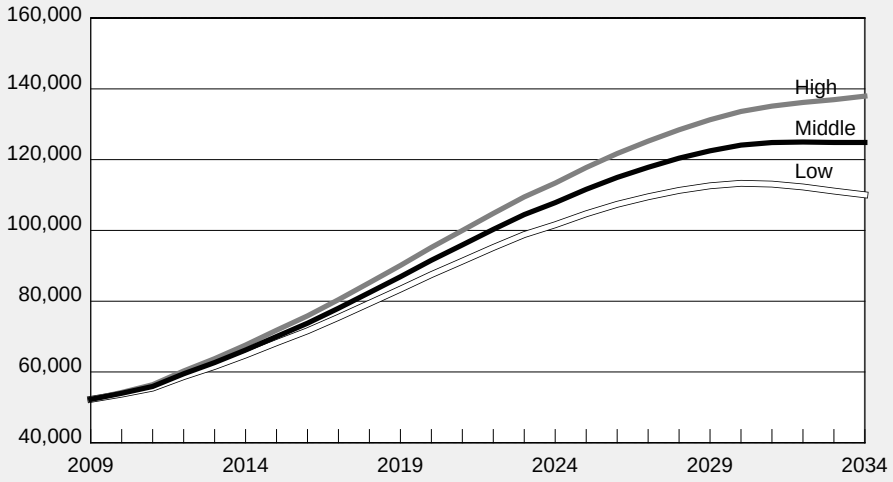
Population change is likely to vary greatly across the state, following paths similar to the last decade. (See Exhibits 9 and 10.) Regions and boroughs/census areas are more susceptible to the impact of migration than any other component of change because it includes intrastate and interstate migration. Although applying recent trends of migration to regions and boroughs/census areas can predict growth or decline, it is possible these trends will significantly change across the state in the future. Migration depends on economic and social factors, making it less predictable.

6 Population by Age
Statewide and Alaska Natives, 2009 to 2034[1]

Total Alaska Population							Alaska's Native Population						
Age	2009	2014	2019	2024	2029	2034	Age	2009	2014	2019	2024	2029	2034
Birth to 4	57,899	59,656	64,160	66,695	68,614	70,805	Birth to 4	14,344	13,666	14,480	14,862	15,470	16,317
5 to 9	55,674	58,943	60,923	65,703	68,348	70,268	5 to 9	12,060	14,138	13,464	14,271	14,647	15,249
10 to 14	52,991	55,828	59,256	61,409	66,320	69,022	10 to 14	11,058	11,994	14,067	13,392	14,196	14,570
15 to 19	54,941	50,698	53,474	56,864	58,895	63,771	15 to 19	12,235	10,845	11,770	13,828	13,150	13,944
20 to 24	46,487	57,967	53,619	56,261	59,231	61,308	20 to 24	11,427	11,964	10,586	11,499	13,536	12,861
25 to 29	45,324	49,970	61,743	57,770	60,486	63,930	25 to 29	9,219	11,257	11,797	10,437	11,347	13,371
30 to 34	46,859	47,101	52,037	64,102	60,260	63,325	30 to 34	7,007	9,082	11,102	11,647	10,314	11,224
35 to 39	47,260	47,510	47,921	53,089	65,037	61,466	35 to 39	7,170	7,075	9,136	11,149	11,711	10,424
40 to 44	47,053	44,351	44,680	45,249	50,270	62,232	40 to 44	7,832	7,004	6,922	8,952	10,939	11,503
45 to 49	53,789	44,485	41,845	42,204	42,584	47,572	45 to 49	8,104	7,653	6,865	6,800	8,797	10,756
50 to 54	53,133	50,353	41,220	38,594	38,749	39,110	50 to 54	7,105	7,739	7,320	6,573	6,521	8,465
55 to 59	45,804	48,978	46,221	37,276	34,499	34,687	55 to 59	5,694	6,773	7,402	7,023	6,327	6,293
60 to 64	32,837	41,579	44,612	41,917	33,070	30,397	60 to 64	4,057	5,354	6,394	7,010	6,670	6,023
65 to 69	20,556	28,948	37,199	40,090	37,480	29,127	65 to 69	2,821	3,719	4,934	5,917	6,516	6,221
70 to 74	12,525	17,355	25,059	32,661	35,380	33,105	70 to 74	1,982	2,436	3,239	4,319	5,216	5,780
75 to 79	8,423	9,517	13,673	20,350	27,010	29,505	75 to 79	1,508	1,574	1,954	2,625	3,525	4,292
80 to 84	5,746	5,538	6,415	9,691	15,059	20,460	80 to 84	881	1,081	1,138	1,426	1,942	2,628
85 to 89	3,280	3,091	2,966	3,560	5,789	9,527	85 to 89	428	524	650	690	874	1,204
90+	1,733	1,751	1,590	1,490	1,786	3,133	90+	268	277	316	387	434	535
Total	692,314	723,619	758,613	794,975	828,867	862,750	Total	125,200	134,155	143,536	152,807	162,132	171,660

[1] Middle projection series
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

7 Age 65 and Older
Alaska's population, 2009 to 2034



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

Those with the most dramatic expected losses in average annual population include the Haines Borough (-1.5 percent) and the Wrangell-Petersburg and Prince of Wales census areas (-1.3 percent).

The Anchorage/Mat-Su region's population is projected to grow by more than 142,535 — 38.0 percent, with a 1.5 percent average annual growth rate — from 374,902 people in 2009 to 517,429 in 2034. Anchorage is expected to continue growing, following the state's rural-to-urban migration trend. The Mat-Su Borough has grown dramatically throughout Alaska's history as a state, and is expected to continue.

The boroughs and census areas with the highest projected average annual growth rates over the period are the Matanuska-Susitna Borough (3.1 percent), the Wade Hampton Census Area (2.3 percent), and the Bethel Census Area (1.4 percent).

The Gulf Coast region's population boomed during the 1980s, but growth has moderated in recent years. The projections yield an increase of roughly 5,239 people between 2009 and 2034 — 6.8 percent — but recent trends

could change significantly with future resource development.

Alaska's Interior region has grown steadily over recent years. However, the future of the populations in the Fairbanks North Star Borough and the Southeast Fairbanks Census Area may greatly depend on the military. Assuming current trends continue, the predicted increase for the Interior is 16,195 people between 2009 and 2034, or 14.9 percent.

High birth rates in the Northern and Southwest regions are anticipated to outpace the projected out-migration, resulting in net growth in those regions. Projections show the Northern region gaining about 5,908 residents (a 25.0 percent increase), and the Southwest region adding 10,433 (a 26.6 percent increase).

The only regional population expected to decline over the projection period is Southeast. Due to particularly low birth rates and the highest median age in the state (39.3), growth would require a sharp rise in net-migration. Southeast's projected loss is about 9,866 people (a 14.2 percent drop) between 2009 and 2034. The future of Southeast is uncertain because of its dependence on future social and economic developments.

Projections show no change in the population rank-ordering of the regions over the projection period. In other words, the Anchorage/Mat-Su region is likely to remain the most populous, followed by the Interior, Gulf Coast, Southeast, and Southwest regions. The Northern region is expected to remain the least populated because of rural-to-urban migration.

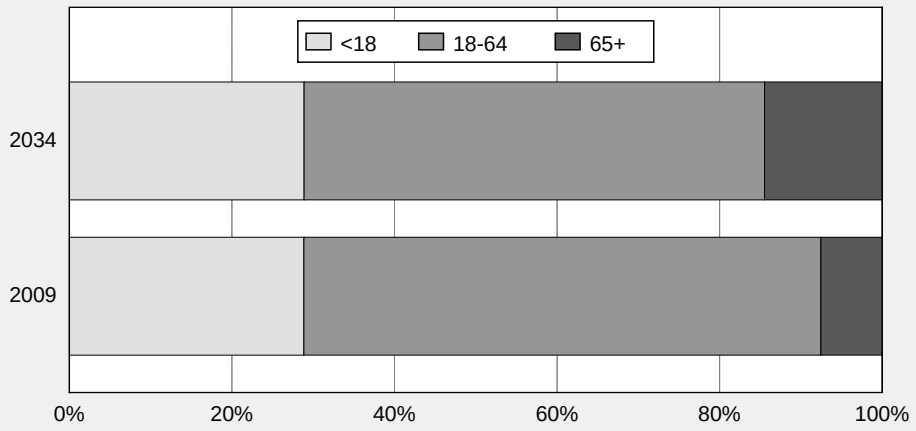
Alaska Native projections

The department used the 2009 "bridged race[5]" estimate as a base for the Alaska Native[6] population, applying the same method as regions and boroughs/census areas.

Mortality, fertility, and migration rates among Alaska Natives have historically differed greatly from those of the overall state population. Native mortality and fertility rates are among the highest in the nation. Alaska Native life expectancy will likely follow the U.S. Social Security Administration's projections for change in U.S life expectancy over the projected period. From 2009 to 2034, life expectancy for Alaska Native males is expected to rise from 67.2 to 74.7 years, and from 73.7 to 78.6 years for Native females. Projected fertility will decline from 3.2 children per woman in 2009 to 3.0 in 2034, due to the rural-to-urban migration discussed earlier. Because of the social and economic characteristics of urban centers, urban women are more likely to have fewer children than their rural counterparts.

Compared to statewide rates, Alaska Native migration is relatively low. Natives migrate to the state at just above 2 percent of the total Native population and leave the state at just over 2 percent of the population. This very slight annual loss

Population by Selected Age Groups
Alaska, 2009 and 2034[1] **8**



[1] Middle projection series
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

[5] "Bridge" series race estimates use the definition of race from the 1990s, when people could only choose one race to define themselves. With the 2000 census, people could check all of the races that applied. As a result, race as reported after 2000 is no longer compatible with earlier data, and statistics on race are far more complex.

[6] Alaska Native: A person with origins in any of the original peoples of North or South America (including Central America), who maintains tribal affiliation or community attachment. (Federal Office of Management and Budget) This includes Native Americans in Alaska; however, the majority of Natives in Alaska are Alaska Natives.

9 Population By Region and Borough/Census Area
Alaska, 2009-2034[1]

	2009	2014	2019	2024	2029	2034	Percentage Change 2009-2034	Average Annual Growth Rate 2009-2034
State of Alaska	692,314	723,619	758,613	794,975	828,867	862,750	24.6%	0.9%
Anchorage / Mat-Su Region	374,902	399,950	427,814	457,519	487,028	517,429	38.0%	1.5%
Anchorage, Municipality of	290,588	304,555	319,812	335,672	350,569	364,973	25.6%	1.0%
Matanuska-Susitna Borough	84,314	95,395	108,002	121,847	136,459	152,456	80.8%	3.1%
Gulf Coast Region	76,686	78,196	79,885	81,313	81,908	81,925	6.8%	0.3%
Kenai Peninsula Borough	53,578	56,007	58,562	60,921	62,673	64,019	19.5%	0.7%
Kodiak Island Borough	13,860	13,461	13,095	12,705	12,188	11,567	-16.5%	-0.6%
Valdez-Cordova Census Area	9,248	8,728	8,228	7,687	7,047	6,339	-31.5%	-1.2%
Interior Region	108,463	111,723	115,217	118,773	121,822	124,658	14.9%	0.6%
Denali Borough	1,838	1,783	1,715	1,642	1,550	1,451	-21.1%	-0.8%
Fairbanks North Star Borough	93,779	96,997	100,358	103,768	106,774	109,580	16.8%	0.6%
Southeast Fairbanks Census Area	7,243	7,694	8,216	8,751	9,246	9,742	34.5%	1.3%
Yukon Koyukuk Census Area	5,603	5,249	4,928	4,612	4,252	3,885	-30.7%	-1.2%
Northern Region	23,664	24,760	26,037	27,257	28,354	29,572	25.0%	1.0%
Nome Census Area	9,500	9,911	10,391	10,859	11,282	11,744	23.6%	0.9%
North Slope Borough	6,798	7,140	7,517	7,855	8,157	8,517	25.3%	1.0%
Northwest Arctic Borough	7,366	7,709	8,129	8,543	8,915	9,311	26.4%	1.0%
Southeast Region	69,338	67,948	66,480	64,692	62,244	59,472	-14.2%	-0.5%
Haines Borough	2,286	2,133	1,974	1,802	1,619	1,422	-37.8%	-1.5%
Juneau, City and Borough of	30,661	30,884	31,051	31,040	30,710	30,191	-1.5%	-0.1%
Ketchikan Gateway Borough	12,984	12,464	11,934	11,339	10,633	9,878	-23.9%	-0.9%
Prince of Wales-Outer Ketchikan Census Area	5,392	5,052	4,721	4,368	3,966	3,566	-33.9%	-1.3%
Sitka, City and Borough of	8,627	8,578	8,505	8,400	8,215	8,000	-7.3%	-0.3%
Skagway-Hoonah-Angoon Census Area	2,908	2,785	2,642	2,483	2,297	2,100	-27.8%	-1.1%
Wrangell-Petersburg Census Area	5,852	5,445	5,070	4,701	4,276	3,828	-34.6%	-1.3%
Yakutat, City and Borough of	628	607	583	559	528	487	-22.5%	-0.9%
Southwest Region	39,261	41,042	43,180	45,421	47,511	49,694	26.6%	1.0%
Aleutians East Borough	2,778	2,830	2,887	2,945	2,967	2,981	7.3%	0.3%
Aleutians West Census Area	4,549	4,592	4,627	4,638	4,610	4,564	0.3%	0.0%
Bethel Census Area	16,997	18,036	19,224	20,471	21,720	23,019	35.4%	1.4%
Bristol Bay Borough	967	972	977	986	986	974	0.7%	0.0%
Dillingham Census Area	4,729	4,739	4,781	4,798	4,755	4,698	-0.7%	0.0%
Lake and Peninsula Borough	1,547	1,487	1,441	1,393	1,328	1,258	-18.7%	-0.7%
Wade Hampton Census Area	7,694	8,386	9,243	10,190	11,145	12,200	58.6%	2.3%

[1] Middle projection series

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

through migration is projected to continue through 2034.

The Department of Labor projects stable growth for the Native population through the projection period, from 125,200 people in 2009 to 171,660 in 2034. (See Exhibits 6 and 11.) Additionally, Natives are expected to increase as a share of the state's population, from 18.1 percent in 2009 to 19.9 percent in 2034.

Historical trends for natural increase and interstate net-migration have been relatively stable, so uncertainty estimates were unnecessary for this group. Therefore, the Alaska Native projections are only comparable to the middle series of the statewide projections and can be subtracted from this series to estimate the non-Native population.

Decreasing fertility rates are reflected in the Native share of the total population under age 20. That proportion is projected to decline over the period from 22.4 percent in 2009 to 21.9 percent in 2034. The median age for the population is expected to rise from 25.8 to 29.8 between 2009 and 2034.

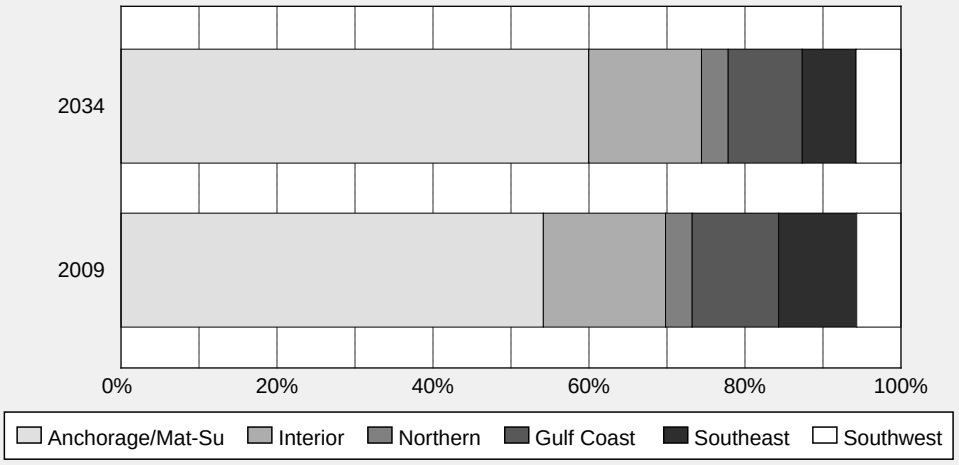
Natives ages 65 and older are projected to follow the same broad trends as the overall population in Alaska and the U.S. Specifically, the number of elderly Natives is expected to rise by 161.9 percent — from 7,888 in 2009 to 20,660 in 2034. The proportion of Natives age 65 and older within the total Native population will likely grow from 6.3 percent in 2009 to 11.7 percent in 2034. Increases in Native life expectancy will also affect future population change.

Historically, migration has not played as large a role in population change as natural increase; therefore only small losses in the population due to net out-migration are projected. However, rural-to-urban migration is expected to continue, so Alaska Natives are likely to help shape the future of urban centers.

The Department of Labor's Native projections are only at the state level in this series. While Alaska uses the same classification for Native Americans as the U.S. Census Bureau does for the nation, the demographic makeup of the two populations is vastly different, therefore not comparable.

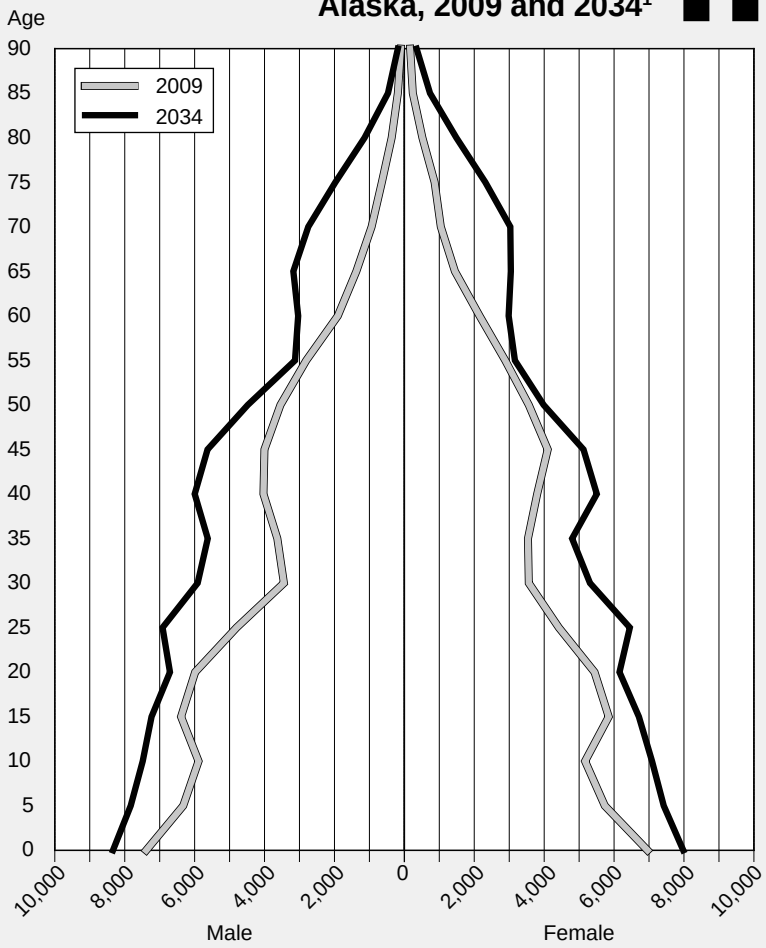
A complete description of the methods and results for these population projections (including high and low projection series) are available on the Research and Analysis Web site at laborstats.alaska.gov. Click on "Population & Census" on the left, then "Estimates & Projections."

Population by Economic Region 10
Alaska, 2009 and 2034[1]



[1] Middle projection series
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Alaska Native Population By Sex 11
Alaska, 2009 and 2034[1]



[1] Middle projection series
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

By NEAL FRIED, Economist

The Matanuska-Susitna Borough

Growth continues to eclipse rest of Alaska

1 Mat-Su Borough's Population Estimates, 2000 to 2009

	Estimated Population 2009	2000 Census 2000	Change 2000 to 2009	Percentage Change 2000 to 2009
Alaska	692,314	626,931	65,383	10%
Anchorage	290,588	260,283	30,305	12%
Fairbanks North Star Borough	93,779	82,840	10,939	13.2%
Matanuska-Susitna Borough	84,314	59,322	24,992	42%
All places in the Mat-Su Borough are Census Designated Places (CDPs) unless footnoted.				
Big Lake	3,331	2,635	696	26%
Buffalo Soapstone	738	699	39	6%
Butte	3,255	2,561	694	27%
Chase	35	41	-6	-15%
Chickaloon	277	213	64	30%
Farm Loop	1,313	1,067	246	23%
Fishhook	3,337	2,030	1,307	64%
Gateway	4,068	2,952	1,116	38%
Glacier View	246	249	-3	-1%
Houston city	1,664	1,202	462	38%
Knik-Fairview	13,824	7,049	6,775	96%
Knik River	631	582	49	8%
Lake Louise	100	88	12	14%
Lakes	8,388	6,706	1,682	25%
Lazy Mountain	1,446	1,158	288	25%
Meadow Lakes	7,319	4,819	2,500	52%
Palmer city[1]	5,532	4,533	999	22%
Petersville	6	27	-21	-78%
Point MacKenzie	273	111	162	146%
Skwentna	73	111	-38	-34%
Susitna	16	37	-21	-57%
Sutton-Alpine	1,407	1,080	327	30%
Talkeetna	894	772	122	16%
Tanaina	7,407	4,993	2,414	48%
Trapper Creek	444	423	21	5%
Wasilla city[2]	7,245	5,469	1,776	32%
Willow	2,218	1,658	560	34%
Y	1,057	956	101	11%
Remainder of Mat-Su Borough	7,770	5,101	2,669	52%

[1] Palmer had an annexation on September 5, 2003.
[2] Wasilla had a small annexation on May 3, 2002.
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and the U.S. Census Bureau

The story of the Matanuska-Susitna Borough's growth in population and employment, which has long outstripped the rest of the state, is an old one. That saga continued in 2009, as employment kept growing in the borough even when it fell in the rest of Alaska for the first time in 21 years. Early indicators for 2010 are also positive.

One large place

Only Fairbanks and Anchorage have more residents than the Mat-Su Borough, which had a 2009 population of 84,314. (See Exhibit 1.) In addition, the Mat-Su is nearly as large as West Virginia at 24,682 square miles. Although it is a big place, 90 percent of its residents live in "the Valley," a tight corridor between the communities of Sutton on the Glenn Highway and Willow on the Parks Highway.

Wasilla, Palmer, and Houston are the only three communities that are incorporated or have political boundaries, and the residents of these three towns represent just 17 percent of the borough's population. The rest live in various unorganized or census-designated places (CDPs). According to state demographer Greg Williams, ten of the top 14 places in the state that experienced the most rapid growth between 2000 and 2009 are in the Mat-Su Borough. If these places were to incorporate, four of them would be larger than the City of Wasilla. One of them, Knik-Fairview, would become the fourth-largest city in the state.

Different economy than most

Historically, the lifeblood of the area came from farming, gold, and coal mining. Although the Mat-Su Borough remains the largest agricultural producer in the state and coal mining might make

a comeback, these industries were eclipsed decades ago by forces that have put the borough on the state's economic pedestal.

Today, an array of sectors vitalize the area's economy. Its most important stimulus is its status as a bedroom community — a place where people live while working elsewhere. An expanding visitor industry also plays a role, as does a growing list of borough enterprises that provide services to the rest of the state. One example is the new Goose Creek prison, which is scheduled to open in 2012.

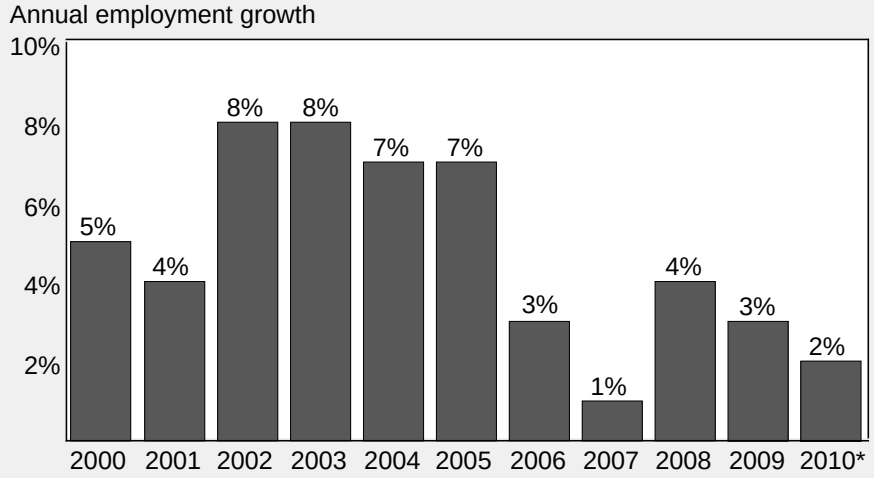
However, the most important explanation for the borough's rapid employment growth is that its businesses and institutions are providing a larger range of goods and services to its burgeoning population.

Residents spend more locally

Exhibits 2 and 3 show employment growth in the borough over the past decade and since 1959. The number of jobs in the borough grew more than three times as fast as the rest of the state in the past decade, and this trend continues because residents spend a growing share of their income locally. Economists call this phenomenon import substitution, and it increases payroll as well as salaries. For example, between 2000 and 2009, health care employment doubled and retail added more than 1,000 jobs.

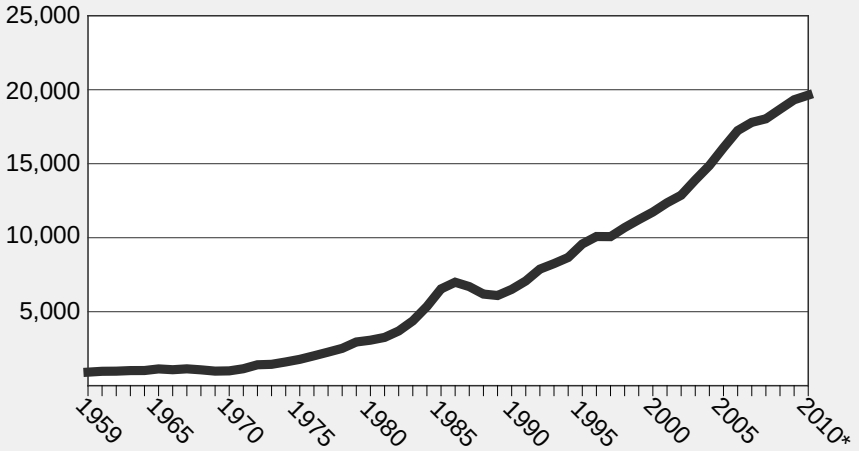
The fact that employment grew considerably faster than population may be another indicator of this trend. Growth in sales tax revenue in Palmer and Wasilla is further evidence of the borough capturing more of its residents' consumption dollars. Between 2000 and 2009, collected sales tax more than doubled (even after adjustment for inflation), even though the borough's population grew only 42 percent.

Employment Continues to Grow **2**
Matanuska-Susitna Borough, 2000 to 2010



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

A History of Strong Growth **3**
Matanuska-Susitna Borough, 1959 to 2010

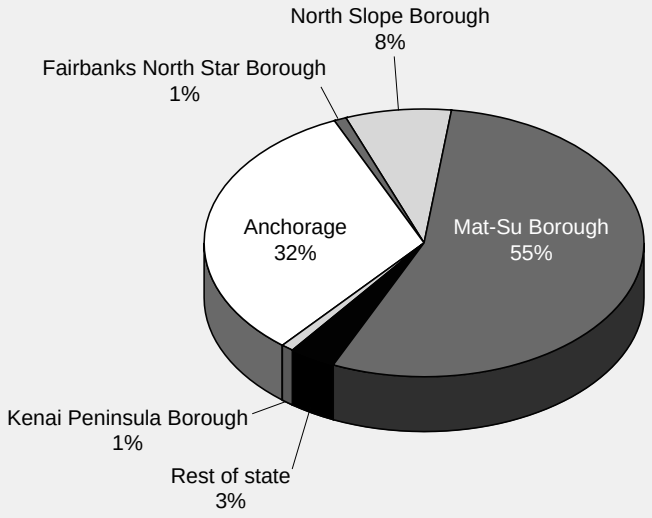


*estimate
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Many earn their living elsewhere

In some ways, the Matanuska-Susitna Borough's commuter patterns are not that different from elsewhere in the country. That is, many people who live there commute outside the borough each day, and data produced by the Alaska Department of Labor and Workforce Development shed some

4 Where Mat-Su Residents Work[1] 2008



[1]Excludes uniformed military, federal, and self-employed workers, 2008
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

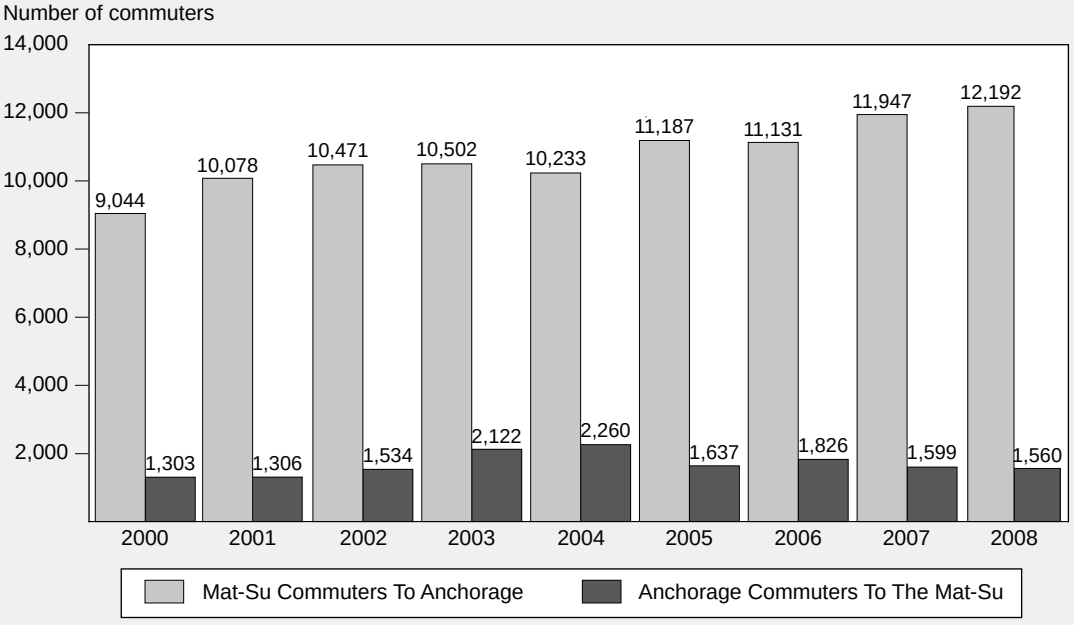
light on where these residents work. (See Exhibits 4, 5, 6, and 7.) According to these data (which exclude federal, uniformed military, and self-employed workers), nearly a third of the Mat-Su Borough's residents work in Anchorage, and this hasn't changed much over the years. (See Exhibit 4.)

Unlike many areas that are home to a large population of commuters, the borough also has many residents that travel to remote job sites. For example, in 2008, 8 percent of the area's residents worked on the North Slope and another 5 percent held jobs in other distant places around the state.

Over the past decade, the proportion of commuters and those who work locally has not changed much. In both 2000 and 2008, 45 percent commuted beyond the borough's boundaries. However, an interesting trend emerged: workers were taking more jobs farther away. The number of commuters working on the North Slope doubled between 2005 and 2008 — a reflection of the employment rebound in the state's oil patch and the Mat-Su area's role as home to a large share of the state's oil industry workforce. The borough supplies the second-largest group of oil industry workers to the North Slope, after Anchorage.

There are many reasons so many Mat-Su residents commute, but two are paramount. The borough offers a competitive housing market, and the state's largest labor market (Anchorage) is within easy reach of most residents.

5 Commuter Traffic Continues to Grow[1] Matanuska-Susitna Borough, 2000 to 2008



[1]Excludes uniformed military, federal, and self-employed workers
Source: Alaska Department of Labor and Workforce Development, Research and Analysis

Primary Place of Work and Wages[1] 6
Matanuska-Susitna residents, 2008

	Number of Workers	Percent	Wages		Number of Workers	Percent	Wages
Matanuska-Susitna Borough	20,665	55%	$543,926,149	Bristol Bay Borough	48	0%	$1,557,543
Anchorage Municipality	12,192	32%	$553,470,946	Ketchikan Gateway Borough	43	0%	$1,064,649
North Slope Borough	2,858	8%	$222,468,891	Kodiak Island Borough	42	0%	$1,151,191
Kenai Peninsula Borough	359	1%	$14,978,354	Dillingham Census Area	41	0%	$1,515,610
Fairbanks North Star Borough	350	1%	$12,726,821	Lake and Peninsula Borough	41	0%	$1,347,090
Northwest Arctic Borough	142	0%	$9,893,588	Aleutians East Borough	40	0%	$1,207,105
City and Borough of Juneau	141	0%	$5,501,178	Wade Hampton Census Area	34	0%	$1,230,727
Valdez-Cordova Census Area	135	0%	$6,803,009	City and Borough of Sitka	21	0%	$487,742
Bethel Census Area	125	0%	$6,056,487	Skagway-Angoon Census Area	18	0%	$492,495
Nome Census Area	114	0%	$5,856,028	Wrangell-Petersburg Census Area	15	0%	$355,965
Denali Borough	96	0%	$2,334,864	Prince of Wales-Outer Ketchikan CA	12	0%	$411,236
Yukon-Koyukuk Census Area	79	0%	$3,268,004	Haines Borough	0	0%	$0
Southeast Fairbanks Census Area	71	0%	$3,650,749	Hoonah-Angoon Census Area	0	0%	$0
Aleutians West Census Area	60	0%	$3,468,193	City and Borough of Yakutat	0	0%	$0
Total	37,744	100%	$1,405,224,612				

[1]Excludes uniformed military, federal, and self-employed workers, 2008
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Housing is key to the economy

The numbers clearly show that a large part of the Mat-Su Borough's appeal is its affordable housing market. Other factors such as lifestyle and scenery probably play an important role, but they are more difficult (if not impossible) to quantify.

In 2010, the average sale price of a single-family home in the area was $239,572: just three-quarters of the price of a single-family home in Anchorage (see Exhibit 8) and significantly below the statewide average of $277,941. This difference is a strong enticement to those who want to live close to a larger city.

Measuring how many wage earners it takes to pay the average mortgage also shows why an Anchorage worker might choose to live in the Mat-Su area. It takes 1.2 Anchorage wage earners to pay the average Mat-Su mortgage versus 1.6 to buy a home in Anchorage.[1] (See Exhibit 9.) Because average wages in the borough are significantly lower than those in Anchorage, it also takes 1.6 wage earners for those who work in the Mat-Su to afford a home there, so those who live and work

[1] The Alaska Affordability Index is a measurement of the number of wage earners necessary to afford an average home, based on workers who earn average wages for their geographic location, and the average price for a single family home.

Top 25 Employers[1] 7
Matanuska-Susitna Borough, 2009

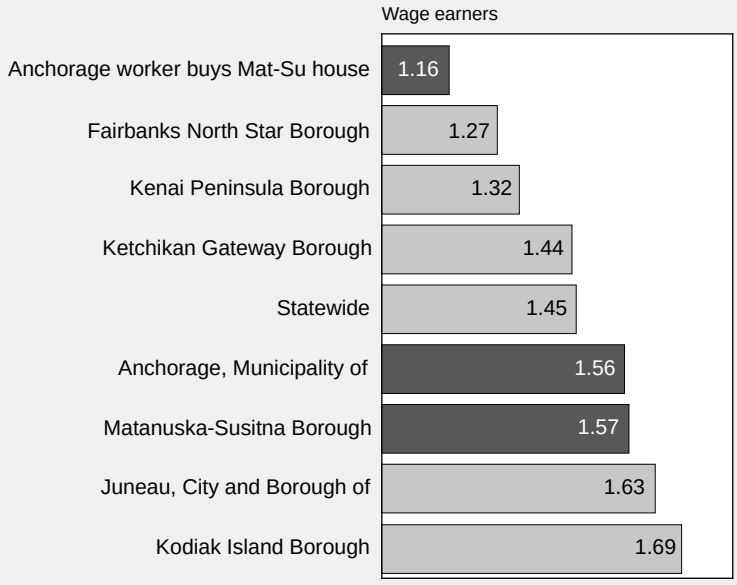
Rank	Employer	Employment Range[2]
1	Matanuska-Susitna Borough School District	2,013
2	State of Alaska (excludes University of Alaska)	947
3	Mat-Su Regional Medical Center	500-749
4	Wal-Mart/Sam's Club	250-499
5	Fred Meyer	250-499
6	Matanuska-Susitna Borough	368
7	Matanuska Telephone Association	250-499
8	First Student	250-499
9	Carrs/Safeway	100-249
10	Federal government	235
11	Mat-Su Services for Children and Adults, Inc.	100-249
12	University of Alaska	165
13	First Student	100-249
14	Spenard Builders Supply	100-249
15	Chugach Government Services (Job Corps)	100-249
16	Target	100-249
17	City of Wasilla	143
18	Alaska Hotel Properties	100-249
19	Three Bears	100-249
20	Lowes	100-249
21	McDonald's Restaurants	100-249
22	Home Depot	100-249
23	Matanuska Electric Association	100-249
24	Alaska Home Care	100-249
25	Matanuska Valley Federal Credit Union	100-249

[1] Excludes federal employees and uniformed military
[2] Due to confidentiality restrictions, employment data for private-sector firms are provided in ranges.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

8 Housing a Big Attraction in Mat-Su
First quarter, 2010

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

9 Buying a Single-Family Home
Wage earners needed to pay mortgage



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

in the Mat-Su don't see the benefit of the lower housing prices.

Most earnings come from elsewhere

One reason many residents choose to work outside the borough is that they can earn better wages elsewhere. (See Exhibit 10.) The average annual salary in the Mat-Su area in 2009 was $36,492, nearly $13,000 less than in Anchorage. Even higher wages are available on the North Slope and elsewhere in Alaska. The borough's wages tend to be lower because of the prevalence of retail and service jobs. (See Exhibit 11.)

More of the higher paying jobs — such as those in oil, transportation, government, and the military — are also based elsewhere in the state. In 2008, Mat-Su residents earned more of their wages in Anchorage than they did at home, and 61 percent of all earnings came from outside the borough. (See Exhibit 6.)

Mat-Su provides services statewide

Besides the visitor industry and the housing market, other types of businesses provide services to the rest of the state, bringing new jobs into the Mat-Su area. These include Job Corps, Alaska Department of Corrections, GCI, and the surveying company TerraSond. Other examples are car dealers, greenhouses, farmer's markets, and others that cater to the local population as well as to Anchorage clientele.

A dynamic visitor sector

Bed tax receipts in the Mat-Su area more than tripled over the past five years — mainly due to the opening of large destination lodges — while visitor growth in most of the state was muted. The borough also has a well-developed visitor industry that caters to more independent travelers. A significant slice of its visitors come from Anchorage, and many own recreational property in the area.

Agriculture is still a player

The Mat-Su area remains the largest agricultural producer in the state. Most of its value is in crops like vegetables, potatoes, hay, and livestock. The recent explosion of farmer's markets in Southcental Alaska is boosting farming in the Mat-Su.

Population, population, population

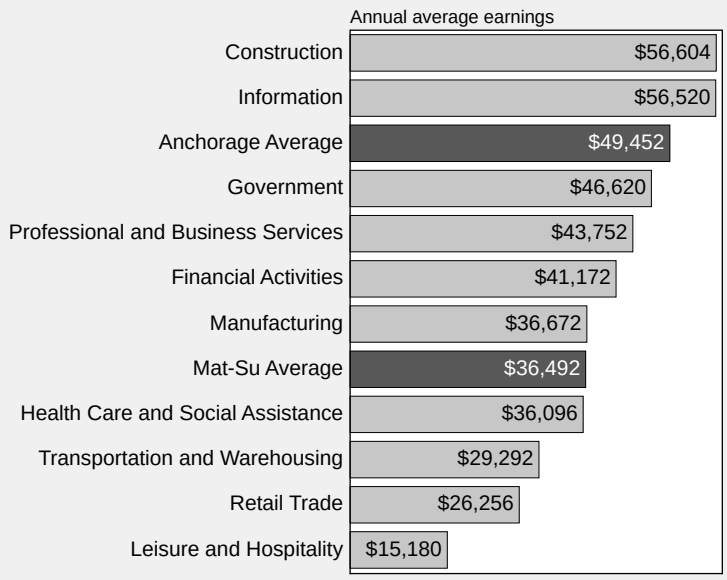
Since 2000, the borough's population has grown by 42 percent versus a 9 percent increase for An-

chorage and 10 percent statewide. (See Exhibit 12.) The Mat-Su's 2009 population of 84,314 is an increase of 24,992 people since 2000. Only Anchorage's absolute population grew more than that, but not by much. Unlike the rest of the state, most of this growth came from migration. (See Exhibit 13.) Overall, the borough went from comprising 7 percent of the state's population in 1990 to 12 percent in 2009. (See Exhibit 14.)

The demographics are different

The median age of the Mat-Su area's population is 34.5, one year older than the statewide median age and nearly four years older than the area's median age in 1990. (See Exhibit 15.) Its population is considerably less diverse than the state's — 84.1 percent white versus 70.4 percent statewide. The age breakdown of its population is similar to the state average, as is the ratio of men to women.

Average Annual Earnings
Matanuska-Susitna Borough, 2009 10



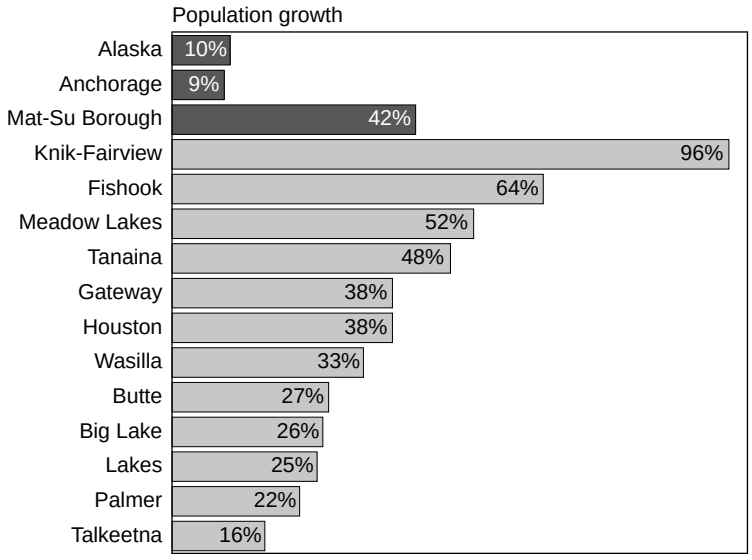
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Average Annual Wage and Salary Employment by Industry
Matanuska-Susitna Borough, 2000 to 2009 11

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Employment Change 2000-2009	Percent Change 2000-2009
Statewide	12,361	12,873	13,904	15,002	16,087	17,216	17,896	18,038	18,684	19,320	6,959	56%
Natural Resources	69	83	105	120	117	132	118	96	116	128	59	86%
Construction	1,163	1,298	1,439	1,546	1,736	1,850	1,788	1,602	1,648	1,577	414	36%
Manufacturing	118	140	167	221	214	218	221	246	281	249	131	111%
Trade	2,467	2,510	2,609	2,755	3,036	3,386	3,432	3,429	ND	ND	*	*
Retail	2,394	2,435	2,547	2,670	2,928	3,268	3,313	3,296	3,429	3,491	1,097	46%
Transportation, Warehousing	259	280	397	453	543	559	539	781	814	809	550	212%
Utilities	152	147	137	147	148	145	143	141	ND	ND	*	*
Information	405	407	401	498	520	534	557	663	646	659	254	63%
Financial Activities	368	362	404	494	551	589	702	744	728	751	383	104%
Professional Services	703	731	805	836	894	912	943	856	929	989	286	41%
Educational and Health Care Services	1,771	1,807	1,970	2,293	2,424	2,608	2,827	2,900	3,020	3,353	1,582	89%
Health Care/Social Assistance	1,561	1,603	1,736	1,979	2,161	2,339	2,503	2,582	2,692	3,094	1,533	98%
Leisure and Hospitality	1,323	1,446	1,579	1,760	1,917	2,053	2,234	2,301	2,333	2,274	951	72%
Accommodations/Eating and Drinking	1,149	1,218	1,364	1,524	1,645	1,775	1,970	2,025	1,983	1,909	760	66%
Accommodations	255	200	228	396	447	538	647	675	635	542	287	113%
Eating and Drinking	894	1,018	1,136	1,127	1,198	1,238	1,323	1,350	1,347	1,368	474	53%
Other Services	477	423	548	518	550	572	588	601	626	691	214	45%
Government	3,042	3,140	3,344	3,357	3,426	3,649	3,741	3,658	3,819	4,040	998	33%
Federal Government	206	163	171	182	192	203	223	199	207	235	29	14%
State Government	876	896	904	952	963	990	1,011	1,002	1,058	1,111	235	27%
Local Government	1,960	2,081	2,269	2,223	2,272	2,457	2,507	2,456	2,554	2,694	734	37%

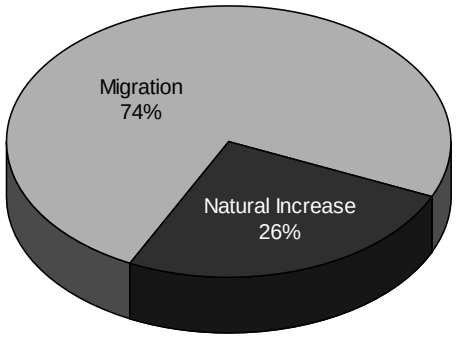
ND: Not disclosable
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

12 Dramatic Population Growth
Matanuska-Susitna Borough, 2000 to 2009



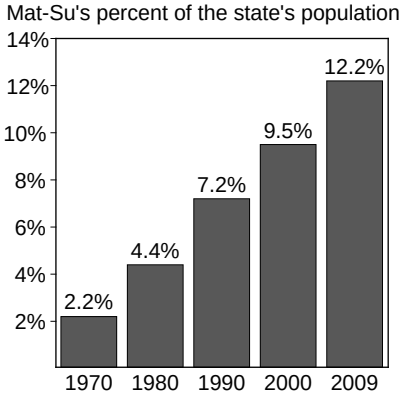
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and U.S. Census Bureau

13 Growth Mostly Migration
Mat-Su Borough, 1970 to 2009



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

14 Growing Share of Alaska
Mat-Su Borough, 1970 to 2009



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

There are more married couples and family households in the borough (two or more people related by blood or marriage) than there are statewide, and those households are considerably bigger. The average family size in the Mat-Su was 4.3, versus 3.4 statewide. Median household income was $67,132 — close to the statewide average, but 7 percent below Anchorage.

Hints of a continued bright future

If Southcentral Alaska's economy continues to grow, the Mat-Su area will undoubtedly continue to capture a lopsided share of that action. The combination of its cost advantages and land availability is hard to beat. If projects such as a new coal mine, a rail extension, or Knik Arm crossing come to fruition or if Port MacKenzie attracts significant business, they too could become factors. But the economic fundamentals are likely to remain the most important factors in the borough's future: providing a competitive housing market, making more goods and services available locally, and finding new ways to sell goods and services to the rest of the state.

A Demographic Snapshot
Matanuska-Susitna Borough, 2006 to 2009

15

2009 Population Estimates

	Mat-Su Borough	Anchorage	Alaska
Total Population	84,314	290,588	692,314
Median Age	34.5	33.1	33.5
Race			
White	84.1%	72.8%	70.4%
Native American	7.5%	9.5%	16.2%
Black	1.9%	5.9%	3.8%
Asian/Pacific Islanders	2.1%	6.7%	4.8%
Two or More Races	4.4%	5.1%	4.8%
Age			
Under 5	7.9%	8.3%	8.4%
18+	70.4%	71.8%	71.1%
65+	7.6%	7.1%	7.5%
Female	48.8%	49.9%	49.0%

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

[1]A family household is two or more people living together who are related by blood or marriage.
[2]Poverty is measured using thresholds in a matrix that cross-classifies a variety of factors, such as family size, composition, and the number of people under age 18.

American Community Survey 2006-2008

	Mat-Su Borough	Anchorage	Alaska
Total population	82,485	278,716	681,235
Type of households			
Average family size	4.3	3.2	3.4
Average household size	3.8	2.7	2.8
Family household[1]	73.1%	67.4%	67.7%
Born in Alaska	36.2%	33.5%	38.9%
Labor force	66.2%	74.7%	72.3%
Income			
Median household income	$67,132	$72,137	$66,293
Median family income	$74,232	$84,443	$77,020
Living in poverty[2]	9.6%	7.6%	9.5%
Educational attainment (age 25+)			
Less than ninth grade	2.6%	3.3%	3.6%
Ninth to 12th grade, no diploma	7.8%	4.9%	5.8%
High school graduate or equivalent	32.7%	23.7%	28.5%
Some college, no degree	27.6%	27.4%	27.5%
Associate's degree	9.6%	8.3%	8.1%
Bachelor's degree	12.9%	20.7%	16.8%
Graduate or professional degree	6.8%	11.6%	9.7%
Veterans	15.6%	15.6%	14.7%
Housing			
Owner-occupied housing units	80.6%	61.6%	64.1%
Renter-occupied housing units	19.4%	38.4%	35.9%
Mean travel time to work in minutes	33.7	18.1	18.1

Source: U.S. Department of Commerce, Bureau of the Census, American Community Survey, 2006-2008, Three-Year Estimates

A Safety Minute

Tread safely this winter

Winter is here, and so are icy, slippery conditions. Slips and falls are the number two cause of accidental death and disability behind vehicle accidents, so please be prepared this season. Preparation may mean anything from studded tires or chains on our vehicles to personal traction devices on our shoes. There are many types of traction devices available depending on your needs. Here are a few more winter travel tips:

- Wear footwear with maximum traction.
- Remove snow immediately from walkways or driveways before it becomes packed or turns to ice.
- Prevent ice from forming by spreading an ice melt product, and always read the directions before use.
- Walk defensively in parking lots, because cars and trucks cannot stop as fast on ice and snow.
- Watch your footing while exiting a vehicle; hold on to the vehicle for more stability.

By NEAL FRIED, Economist

Employment Scene

Unemployment rate at 7.9 percent

Alaska's seasonally adjusted unemployment rate for October inched up to 7.9 percent. September's rate was revised down slightly, from 7.8 percent to 7.7 percent.

The comparable national jobless rate for October was 9.6 percent, unchanged from September. Exactly a year ago, the national unemployment rate was 10.1 percent, compared to 8.4 percent for Alaska. The improvement in Alaska's jobless rate has been similar to the nation's, but October marks the second straight year that Alaska's unemployment rate has been lower than the national rate.

Winter unemployment begins to climb

Not seasonally adjusted unemployment rates increased in most of the state's regions in October. This is typical when Alaska's labor market enters its winter slump. Fishing declines, the visitor industry is nearly shuttered, and the construction industry buttons down for mostly indoor work. Another sign of the seasonal downturn is October's increase in the number of regular weeks claimed for unemployment — from 8,583 in September to 10,106 in October.

In nearly all regions, unemployment rates rose in October but remain below year-ago levels. For example, the Gulf Coast region's rate rose to 9.0 percent, from 7.9 percent in September — but that's still lower than last year's 9.8 percent.

Seasonal industries contract

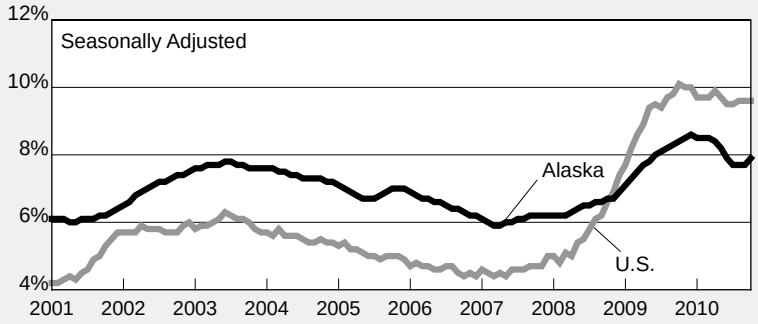
The North Slope Borough and Juneau had the lowest October unemployment rates, and the Wade Hampton Census Area and Skagway had the highest. Although Wade Hampton frequently has one of the highest rates in the state, Skagway had the second-lowest jobless rate in the state just last month. The end of the tourism season explains Skagway's dramatic unemployment shift.

Employment on the rebound in 2010?

Preliminary second-quarter data from the 2010 Census of Employment and Wages (QCEW) became available recently, and the results are intriguing. (Nearly all the QCEW employment is based on quarterly payroll reports provided by employers around the state.) Over-the-year changes in total employment turned negative during the second, third, and fourth quarters of 2009; were mixed during the first quarter of 2010; but turned positive during the second quarter of 2010 (see Exhibit 2).

Why is this important? In 2009, after employment grew for 21 straight years in Alaska, it stopped and lost some ground. That year, employment fell by approximately 0.5 percent, a modest decline but still a loss. Many economic observers, including this author, expected this trend to continue through most of 2010. Instead, only February's over-the-year changes are negative so far. In addition, each

1 Unemployment Rates, Alaska and U.S.
January 2001 to October 2010

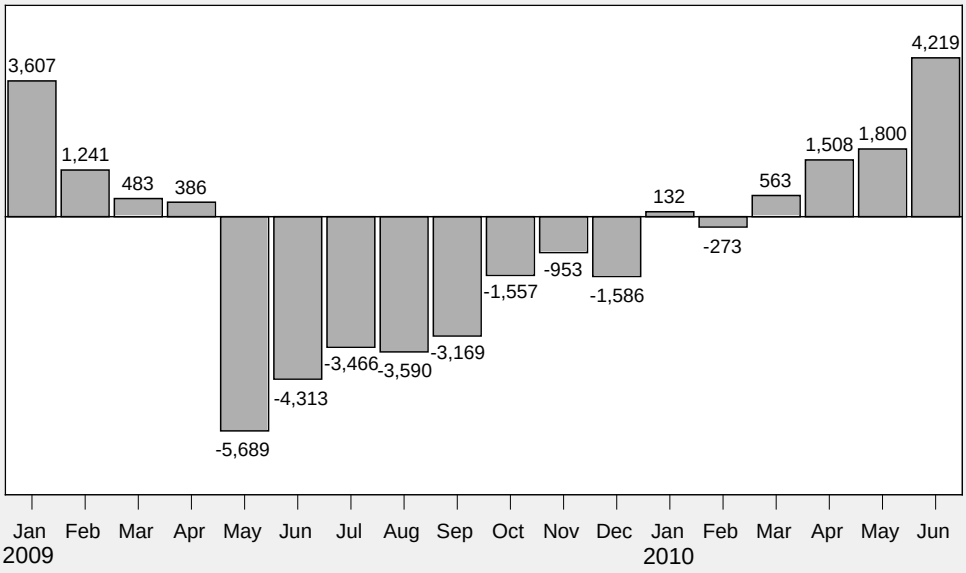


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

following month has turned increasingly positive. As a result, average employment during the first half of 2010 was up 0.4 percent, or 1,325 jobs, over the same period in 2009 — a small gain, but positive nonetheless.

The jury is still out for 2010, at least until the third-quarter QCEW numbers become available (especially because the third quarter represents peak economic activity of the year). If the trend remains positive in 2010, Alaska will have come through the national recession largely unscathed.

Possible Overall Employment Growth in 2010 2
Alaska, 2009 to 2010



Source: Quarterly Census of Employment and Wages (QCEW).

3 Statewide Employment
Nonfarm wage and salary

Alaska	Preliminary	Revised		Year-Over-Year Change	
	10/10	9/10	10/09	10/09	90% Confidence Interval
Total Nonfarm Wage and Salary[1]	319,000	333,100	320,000	-1,000	-8,383 6,383
Goods-Producing[2]	43,000	49,300	42,800	200	-2,684 3,084
Service-Providing[3]	276,000	283,800	277,200	-1,200	– –
Mining and Logging	14,600	14,600	15,000	-400	-1,193 393
Mining	14,200	14,200	14,700	-500	– –
Oil and Gas	11,800	11,600	12,500	-700	– –
Construction	16,700	18,400	17,400	-700	-3,283 1,883
Manufacturing	11,700	16,300	10,400	1,300	306 2,294
Seafood Processing	7,400	11,800	6,400	1,000	– –
Trade, Transportation, Utilities	60,900	64,000	62,600	-1,700	-4,072 672
Wholesale Trade	6,000	6,300	6,100	-100	-656 456
Retail Trade	34,800	35,600	35,700	-900	-2,928 1,128
Food and Beverage Stores	6,000	6,100	6,300	-300	– –
General Merchandise Stores	10,000	10,100	10,300	-300	– –
Transportation, Warehousing, Utilities	20,100	22,100	20,800	-700	-1,738 338
Air Transportation	5,400	5,600	6,100	-700	– –
Truck Transportation	2,900	3,100	3,200	-300	– –
Information	6,400	6,300	6,500	-100	-681 481
Telecommunications	4,300	4,200	4,300	0	– –
Financial Activities	14,600	14,900	15,000	-400	-2,343 1,543
Professional and Business Services	25,200	26,200	25,600	-400	-2,193 1,393
Educational[4] **and Health Services**	41,900	41,600	39,900	2,000	732 3,268
Health Care	30,400	30,400	28,900	1,500	– –
Leisure and Hospitality	28,900	32,500	29,700	-800	-2,837 1,237
Accommodations	6,400	8,900	6,000	400	– –
Food Services and Drinking Places	18,700	19,000	17,900	800	– –
Other Services	11,800	11,700	11,600	200	-2,976 3,376
Government	86,300	86,600	86,300	0	– –
Federal Government[5]	16,400	17,500	16,700	-300	– –
State Government	26,400	26,600	26,300	100	– –
State Government Education[6]	8,200	8,100	8,100	100	– –
Local Government	43,500	42,500	43,300	200	– –
Local Government Education[7]	25,800	24,300	24,700	1,100	– –
Tribal Government	3,900	3,900	3,700	200	– –

5 Regional Employment
Nonfarm wage and salary

	Preliminary	Revised		Changes from		Percent Change	
	10/10	9/10	10/09	9/10	10/09	9/10	10/09
Anch/Mat-Su	173,100	176,300	172,000	-3,200	1,100	-1.8%	0.6%
Anchorage	152,450	154,650	151,700	-2,200	750	-1.4%	0.5%
Gulf Coast	28,800	32,600	28,100	-3,800	700	-11.7%	2.5%
Interior	44,850	48,350	44,500	-3,500	350	-7.2%	0.8%
Fairbanks[8]	38,700	40,200	38,300	-1,500	400	-3.7%	1.0%
Northern	20,200	19,950	20,450	250	-250	1.3%	-1.2%
Southeast	34,800	39,100	34,900	-4,300	-100	-11.0%	-0.3%
Southwest	18,000	20,000	18,000	-2,000	0	-10.0%	0.0%

A dash indicates that confidence intervals aren't available at this level.

[1] Excludes the self-employed, fishermen and other agricultural workers, and private household workers. For estimates of fish harvesting employment, and other fisheries data, go to labor.alaska.gov/research/seafood/seafood.htm.

[2] Goods-producing sectors include natural resources and mining, construction, and manufacturing.

[3] Service-providing sectors include all others not listed as goods-producing sectors.

[4] Private education only

[5] Excludes uniformed military

[6] Includes the University of Alaska

[7] Includes public school systems

[8] Fairbanks North Star Borough

Sources for Exhibits 1, 2, and 3: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics

Sources for Exhibit 4: Alaska Department of Labor and Workforce Development, Research and Analysis Section; also the U.S. Department of Labor, Bureau of Labor Statistics, for Anchorage/Mat-Su and Fairbanks

4 Unemployment Rates
Borough and census area

	Prelim.	Revised	
SEASONALLY ADJUSTED	10/10	09/10	10/09
United States	**9.6**	**9.6**	**10.1**
Alaska Statewide	**7.9**	**7.7**	**8.4**
NOT SEASONALLY ADJUSTED			
United States	**9.0**	9.2	9.5
Alaska Statewide	**7.6**	**7.3**	**8.0**
Anchorage/Mat-Su Region	**6.9**	**6.9**	**7.3**
Municipality of Anchorage	6.5	6.7	6.8
Matanuska-Susitna Borough	8.3	7.9	8.9
Gulf Coast Region	**9.0**	**7.9**	**9.8**
Kenai Peninsula Borough	9.6	8.8	10.4
Kodiak Island Borough	6.5	5.4	7.3
Valdez-Cordova Census Area	9.4	6.4	9.8
Interior Region	**7.3**	**6.8**	**7.9**
Denali Borough	14.6	4.1	17.2
Fairbanks North Star Borough	6.6	6.3	7.1
Southeast Fairbanks Census Area	9.6	9.1	9.8
Yukon-Koyukuk Census Area	13.3	13.3	14.5
Northern Region	**9.4**	**9.8**	**9.2**
Nome Census Area	11.9	12.6	12.1
North Slope Borough	5.5	5.4	5.3
Northwest Arctic Borough	12.4	13.6	12.2
Southeast Region	**7.4**	**6.2**	**7.8**
Haines Borough	8.1	4.8	9.7
Hoonah-Angoon Census Area[1]	13.8	10.0	18.3
Juneau, City and Borough of	5.8	5.3	6.2
Ketchikan Gateway Borough[1]	7.5	6.0	7.3
Prince of Wales-Outer Ketchikan CA[1]	13.1	13.2	14.0
Sitka, City and Borough of	6.2	5.5	6.9
Skagway, Municipality of[1]	20.4	3.9	13.2
Wrangell-Petersburg Census Area[1]	9.1	7.7	10.0
Yakutat, City and Borough of	8.4	6.7	8.4
Southwest Region	**12.1**	**11.8**	**12.5**
Aleutians East Borough	8.1	7.8	9.9
Aleutians West Census Area	8.1	7.8	9.9
Bethel Census Area	13.4	14.8	13.3
Bristol Bay Borough	6.3	3.0	6.4
Dillingham Census Area	10.2	8.6	10.4
Lake and Peninsula Borough	6.9	5.7	6.8
Wade Hampton Census Area	18.1	18.7	19.1

[1] Because of the creation of new boroughs, this borough or census area has been changed or no longer exists. Data for the Skagway Municipality and Hoonah-Angoon Census Area (previously Skagway-Hoonah-Angoon Census Area) became available in 2010. Data for the Wrangell Borough, and Petersburg and Prince of Wales-Hyder census areas will be available in 2011. Until then, data will continue to be published for the old areas.

Changes in Producing the Estimates

The U.S. Department of Labor's Bureau of Labor Statistics has implemented a change to the method used to produce statewide wage and salary employment estimates. That change has resulted in increased monthly volatility in the wage and salary estimates for many states, including Alaska. Therefore, one should be very cautious in interpreting any over-the-year or month-to-month change for these monthly estimates. The Quarterly Census of Employment and Wages series may be a better source of information for trends analysis (http://labor.alaska.gov/qcew.htm).

For more current state and regional employment and unemployment data, visit our Web site: **laborstats.alaska.gov**

Employer Resources

On-the-job training benefits employers as well as workers

As an employer looking to hire new staff, consider establishing an on-the-job training (OJT), which allows you to tap a larger pool of candidates who may need additional training to become qualified.

On-the-job training provides a range of benefits. In addition to helping find, train, and pay candidates while they work, OJTs also reimburse part of the employee's wages during the training period — often a motivating factor for employers. Employers may train workers to meet their specific needs, and OJT hires tend to be more loyal to employers who have provided better career opportunities through training.

The Alaska Department of Labor and Workforce Development's Employment Security Division provides OJTs and wage reimbursement through the Alaska Job Center Network.

The on-the-job training process

The Alaska Job Center looks for candidates who may be a good match for vacant positions, and evaluates the interested employer and the job for OJT eligibility. If eligible, the employer may interview candidates prior to an assessment of the employer's needs and the prospective worker's skills.

The Alaska Job Center uses the WorkKeys®* assessment to compare the individual's abilities to the skills required for the position — this is called a Skills Gap Analysis — and uses this analysis to create a training plan. To finalize the OJT, both parties sign an agreement that delineates the training plan, reimbursement amount, and length of the training.

Throughout the OJT, the job center monitors the work to ensure participants and employers adhere to the training plan, then reimburses employers as outlined in the agreement.

How to seek an on-the-job training

For more information about on-the-job training, contact the Alaska Job Center Network at (877) 724-2539 or go to www.jobs.alaska.gov/offices to find a job center near you.

OJTs are available to public, private nonprofit, and private sector employers based on availability. However, OJTs are not available for gambling establishments, swimming pools, aquariums, zoos, or golf courses. Also, because OJTs are meant to train people for full-time, long-term jobs, they may not be used for high-turnover, part-time, low-skill, or seasonal positions.

**To learn more about WorkKeys® and the Alaska Career Ready Program, visit jobs.alaska.gov/acrw.html.*