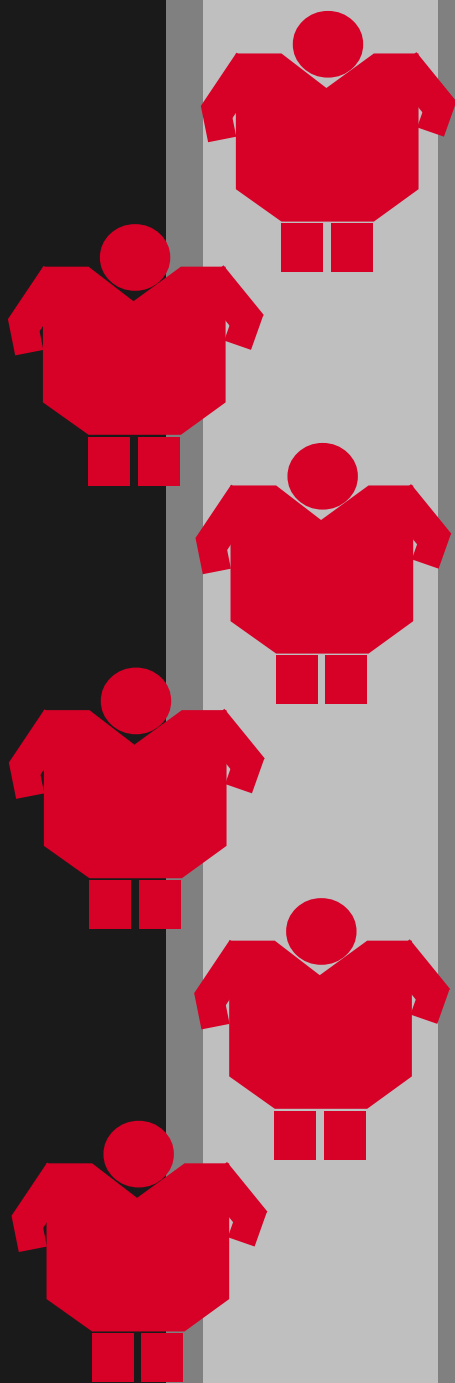


TRENDS

TRENDS



UNEMPLOYMENT INSURANCE

It provides an income safety net for the temporarily unemployed

RESIDENT/NONRESIDENT HIRE

Resident hire makes small gains; one/fifth of workforce remains nonresident

EMPLOYMENT SCENE

Labor market buttons up for the winter

ALASKA ECONOMIC **TRENDS**

**February
2000
Volume 20
Number 2**

<http://www.labor.state.ak.us/research/research.htm>

ISSN 0160-3345

Alaska Economic Trends is a monthly publication dealing with a variety of economic-related issues in the state.

Alaska Economic Trends is funded by the Employment Security Division and published by the Department of Labor and Workforce Development, P.O. Box 21149, Juneau, Alaska 99802-1149.

Printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$.82 per copy.

For more information, call the DOL Publications Office at (907) 465-6018 or email the authors.

Material in this publication is public information and, with appropriate credit, may be reproduced without permission.

Trends is available on the Internet. See URL above.

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

Joanne Erskine, Editor

Email Trends authors at:

Corine_Geldhof@labor.state.ak.us

Jeff_Hadland@labor.state.ak.us

John_Boucher@labor.state.ak.us

February *Trends* authors are staff in the Department of Labor and Workforce Development. Corine Geldhof is a Communications Coordinator in the Employment Security Division in Juneau. Jeff Hadland is an Economist and John Boucher is a Labor Economist with the Research and Analysis Section, Administrative Services Division in Juneau.

**Subscriptions: Jo_Ruby@labor.state.ak.us
(907) 465-6020**

Contents:

Unemployment Insurance	3
An income safety net system for the temporarily unemployed	
Resident/Nonresident Hire	10
Resident hire makes small gains; one/fifth of workforce remains nonresident	
Employment Scene	18
Labor market buttons up for the winter	

Unemployment Insurance

by Corine Geldhof
Communications Coordinator

An income safety net system for the temporarily unemployed

In the depths of the Great Depression in 1935, the U.S. Congress passed the Social Security Act, establishing an economic stabilization program of partial wage replacement for workers during periods of temporary, involuntary unemployment. Under the federal-state partnership created by the Act, each state designs its own system using federally established guidelines. Alaska's participation in this program is governed by the Alaska Employment Security Act, passed in 1937, which continues to be administered by the Alaska Department of Labor and Workforce Development.

One provision of Alaska's Act requires the preparation of an actuarial study of the unemployment insurance tax and benefit structures. A significant source of demographic information, this biennial study reveals many facts, such as who files for unemployment insurance benefits, their age, gender, geographic location, industry, ethnicity, earnings, and number of dependents. (See Exhibit 2.) It also lists benefit totals for all the program's components and shows how benefits are paid, why, where, when, and for whom.

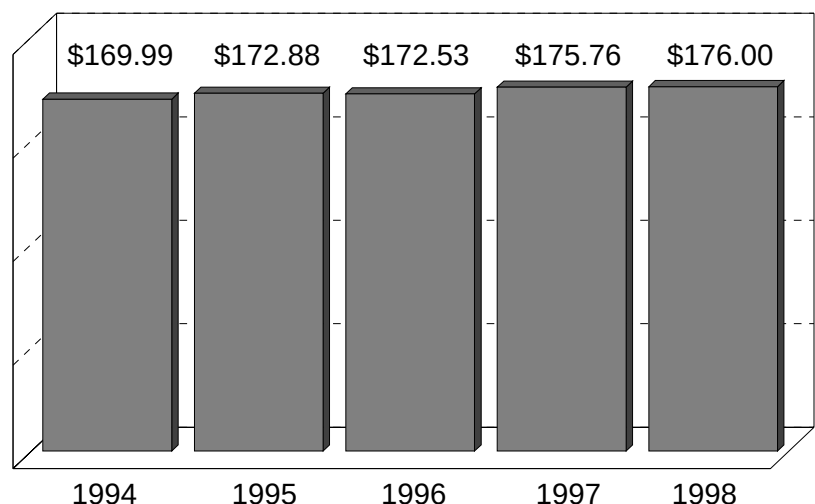
1998 benefit totals

In 1998, the calendar year for which the most up-to-date information is available, Alaska's UI program covered an average of 267,000 workers, or 98.3% of all nonagricultural wage and salary

workers. Workers not covered are full-commission salespersons, elected and appointed officials, fishers, unpaid family and domestic workers, and the self-employed. About \$119 million in benefits was paid to 53,800 unemployed workers in 1998, 81.5% filing within the state, and 18.5% filing from outside the state. Interstate claimants are those workers who file claims against Alaska based on work they performed in state but who live elsewhere. For 1998, \$22,493,584 in

(Continued on page 5)

Average Weekly Benefits Alaska UI claimants, 1994-1998



In 1997 the maximum weekly benefit amount was raised from \$212 to \$248.

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

2 Unemployment Insurance

Alaska claimant characteristics, 1998

Characteristics	All Recipients		Characteristics	All Recipients	
	Number	% of Total		Number	% of Total
TOTAL	53,788	100.0%	AVERAGE ANNUAL EARNINGS (\$):		
GENDER:			\$1,000-\$9,999	14,769	27.5%
Male	33,697	62.6	10,000-19,999	16,675	31.0
Female	20,091	37.4	20,000-29,999	10,363	19.3
AGE:			30,000-39,999	5,423	10.1
Under 21	1,265	2.4%	40,000-49,999	3,113	5.8
21-24	4,183	7.8	50,000-59,999	1,689	3.1
25-34	15,118	28.1	60,000-69,999	888	1.7
35-44	17,279	32.1	70,000-79,999	438	0.8
45-54	11,181	20.8	80,000-89,999	217	0.4
55-64	4,052	7.5	90,000+	213	0.4
65+	710	1.3	GEOGRAPHIC LOCATION:		
NUMBER OF DEPENDENTS:			Aleutians East Borough	160	0.3%
0	31,079	57.8%	Aleutians West Census Area	322	0.6
1	8,907	16.6	Anchorage Municipality	13,468	25.0
2	7,809	14.5	Bethel Census Area	1,087	2.0
3+	5,993	11.1	Bristol Bay Borough	143	0.3
ETHNIC BACKGROUND:			Denali Borough	237	0.4
Alaska Native/American Indian	9,703	18.0%	Dillingham Census Area	275	0.5
Asian and Pacific Islander	3,795	7.1	Fairbanks North Star Borough	5,420	10.1
Black	1,848	3.4	Haines Borough	290	0.5
Hispanic	2,391	4.4	Juneau Borough	2,010	3.7
White	34,927	64.9	Kenai Peninsula Borough	4,836	9.0
Other	340	0.6	Ketchikan Gateway Borough	1,298	2.4
No Information	784	1.5	Kodiak Island Borough	1,650	3.1
INDUSTRY:			Lake & Peninsula Borough	104	0.2
Agriculture, Forestry and Fishing	436	0.8%	Matanuska-Susitna Borough	4,256	7.9
Mining	1,964	3.7	Nome Census Area	656	1.2
Oil and Gas	1,503	2.8	North Slope Borough	345	0.6
Other Mining	461	0.9	Northwest Arctic Borough	478	0.9
Contract Construction	8,763	16.3	Prince of Wales-Outer Ketchikan CA	926	1.7
Manufacturing	8,694	16.2	Sitka Borough	573	1.1
Food Products	6,401	11.9	Skagway-Hoonah-Angoon CA	497	0.9
Lumber and Wood Products	1,266	2.4	Southeast Fairbanks Census Area	538	1.0
Paper Products	361	0.7	Valdez-Cordova Census Area	952	1.8
Other Manufacturing	666	1.2	Wade Hampton Census Area	614	1.1
Trans., Communications and Utilities	4,376	8.1	Wrangell-Petersburg Census Area	729	1.4
Trade	9,397	17.5	Yakutat Borough	103	0.2
Finance, Insurance and Real Estate	1,989	3.7	Yukon-Koyukuk Census Area	549	1.0
Services	12,705	23.6	Alaska Area Unknown	1,340	2.5
Public Administration	5,192	9.7	Total In-State	43,856	81.5%
Unclassified	272	0.5	Out-of-State	9,932	18.5
OCCUPATION:			LOCAL OFFICE:		
Agriculture, Forestry, and Fishing	1,509	2.8%	Anchorage	25,911	48.2%
Benchwork	208	0.4	Central - Interstate Claims	9,932	18.5
Clerical and Sales	9,671	18.0	Central - Rural Mail Claims	8,097	15.1
Machine Trades	1,769	3.3	Fairbanks	5,543	10.3
Processing	5,415	10.1	Juneau/SE Urban	4,305	8.0
Professional, Technical, Managerial	7,506	14.0	Notes: Percentages may not add to 100% due to rounding.		
Service	7,634	14.2	Starting in 1996, the UI claims processing work at many offices was		
Structural Work	13,738	25.5	consolidated into regional centers in Anchorage and Juneau. All UI claims		
Miscellaneous and Unknown	6,338	11.8	filing is now done by mail or telephone. The Anchorage Center serves		
			clients in Anchorage, Bethel, Dillingham, Eagle River, Glennallen, Homer,		
			Kenai, Kodiak, Kotzebue, Mat-Su, Nome, Seward, Tok, and Valdez.		
			Juneau/SE Urban office serves Juneau, Ketchikan, Petersburg & Sitka.		

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

(Continued from page 3)

UI benefits was paid to interstate claimants, the majority of them from manufacturing industries (food products, including seafood processing, lumber and wood, and paper products).

Regular benefits amounted to \$113 million, and an additional \$5.6 million was paid out under the extended benefits program. Extended benefits kick in when a federal formula indicates the insured unemployed rate exceeds six percent. This happens in Alaska every year, typically beginning in February when there is less work available for workers attached to seasonal industries. The average weekly benefit payment for regular benefits in Alaska was \$176.00, up about \$3.50 from 1996. (See Exhibit 1.) On the average, those claiming regular benefits received 15 weeks of payments, and those qualifying for extended benefits received an average of six additional weeks of payments.

Claimant characteristics

Distinct patterns were evident among temporarily unemployed workers who filed for one or more weeks of UI benefits in 1998. More men filed than did women, a total of 33,697 or 62.6% of all claimants, whereas 20,091 women filed, 37.4% of the total. (See Exhibit 3.) Most claimants' income from work covered by unemployment insurance placed them at the low end of the income scale. More than 27 percent earned less than \$10,000 and another 30 percent earned less than \$20,000. At the high end of the income range, just over three percent of all UI claimants, representing fewer than 2,000 claimants, earned \$50,000 or more.

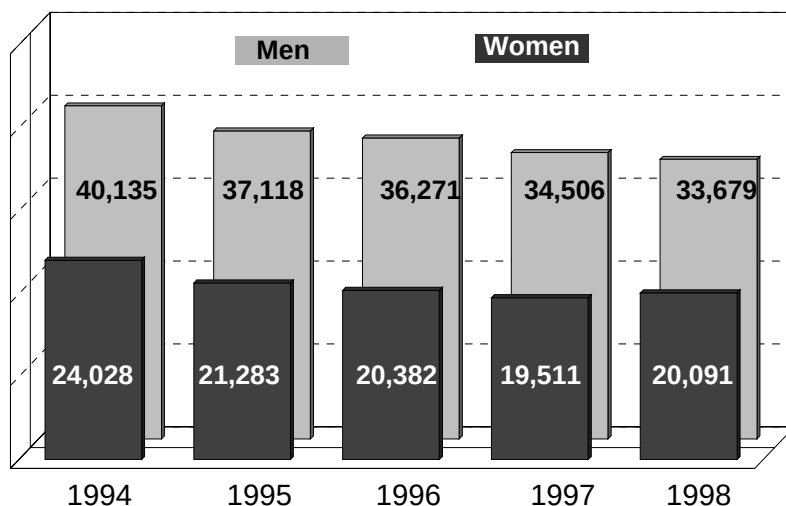
When looked at by age, the largest group (32 percent) of claimants in 1998 was between the ages of 35 and 44. Most claimants (57.8%) had no dependents, and 64.9% of the total were Caucasian. By industry, the highest percentages were in services (23.6%) and in the retail and wholesale trade industries (17.5%).

A look at five years of benefit payments

Although the number of claimants filing for benefits declined during the 1994-1998 period, dollars paid out remained relatively stable, due in part to state legislation introduced in 1996 that increased the maximum weekly benefit amount from \$212 to \$248. Claimant characteristics data disclose little variation overall in filing patterns for this five-year period. For instance, the average duration of claiming has remained the same with only small fractions of a percentage point differential over the last five years. The increase in average weekly payments has been small, from \$169.99 in 1994 to \$176.00 in 1998. (See Exhibit 1.)

Similarly, the industries from which claimants came show very little variation over the last five years, indicating that trends in seasonal

UI Claimants by Gender 1994-1998



Source: Alaska Department of Labor and Workforce Development

unemployment in Alaska remain constant. (See Exhibit 4.) The months of highest filing are in winter—growing in December and January, rising again in March, and declining by April. (See Exhibit 5.) Summer months show the fewest weeks claimed. These patterns correlate with those of Alaska's seasonal industries, such as seafood processing, tourism and construction.

The percent of payment distribution for UI claimants across industries has remained consistent the last five years, from highest to lowest in services, construction, trade and manufacturing respectively. The geographic regions where most claimants file reflect the concentration of population in urban areas, with Anchorage and the Matanuska-Susitna Borough leading, followed by Fairbanks, Kenai and Juneau respectively. (See Exhibit 6.)

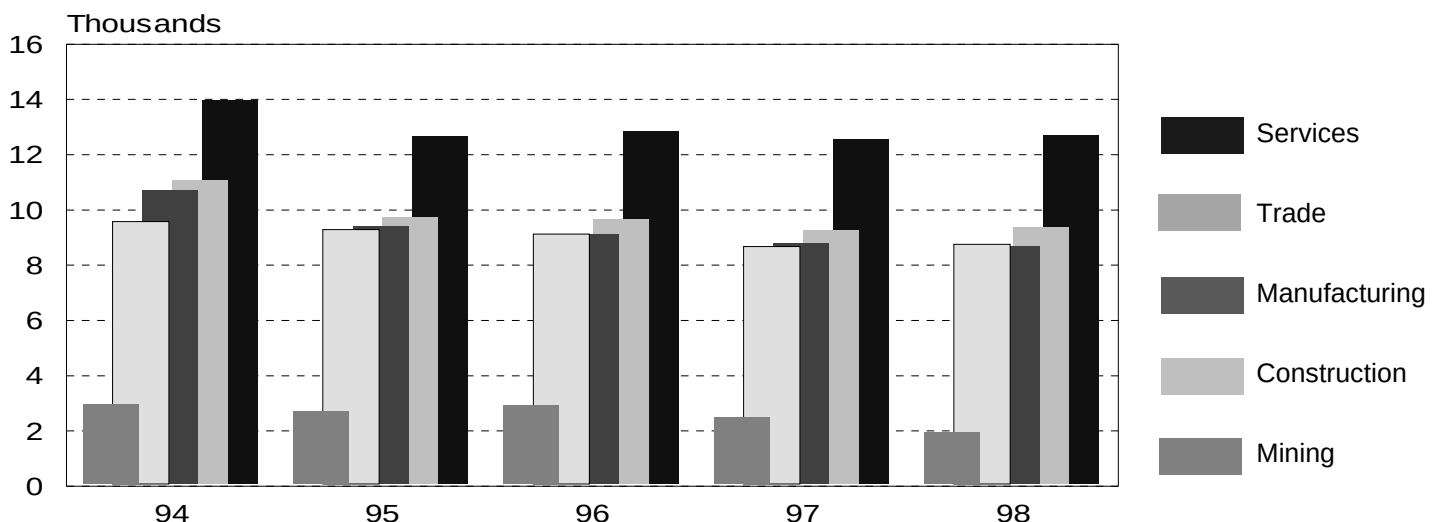
Claimant qualifying provisions

A claimant qualifies for benefits under the Alaska

Employment Security Act on the basis of wages earned in a "base period," defined by statute as the first four of the five completed calendar quarters preceding the date the claim is filed. Earnings during this period must be equal to or greater than \$1,000 with at least \$100 earned outside the quarter in which the most wages were paid. The claimant must also be ready and able to work. The claimant is disqualified for a waiting week and five additional weeks if they have voluntarily left work without good cause, or been discharged for work related misconduct.

In some states eligibility provisions are more limiting than in Alaska, and national concern has been expressed over the decline in the percent of unemployed collecting UI benefits. There are now proposals on the national level that would make UI systems more responsive to changes in the workplace. President Clinton issued an Executive Memorandum on May 28, 1999, calling for new regulations that will enable states to develop "innovative ways" of using the unemployment insurance system to support parents on leave following the birth or adoption of a child. Concerns about payments in Alaska have

4 UI Claimants by Industry Alaska 1994-1998



Source: Alaska Department of Labor and Workforce Development

not to date been so wide ranging, but there are concerns over the low rate of wage replacement that are addressed later in this article.

The role of Alaska's Trust Fund in paying benefits

Each state has a trust fund for the sole purpose of paying unemployment insurance benefits. Withdrawals are made from the UI trust fund as needed to make payments to claimants. Taxes, reimbursements, interest, and other sources of contributions are deposited into the fund to build reserves.

Maintaining the solvency of the trust fund is vital to the UI system. Occasionally, a recession may be severe enough that money drawn from the fund to pay benefits exceeds revenues and fund reserves. If a state's fund becomes insolvent, the state may borrow from the federal government. Between 1955 and 1960, the State of Alaska borrowed \$9 million from the federal government to keep the trust fund solvent. Annual benefit payments from 1952 through 1959 exceeded collections, breaking the fund temporarily in 1955 and then again in 1957. To replenish the fund, the amount of wages subject to taxes was increased, and beginning in 1955, taxes were levied on employees. Although many states borrowed to pay benefits in the early 1980s, Alaska has not borrowed to pay UI benefits since 1960.

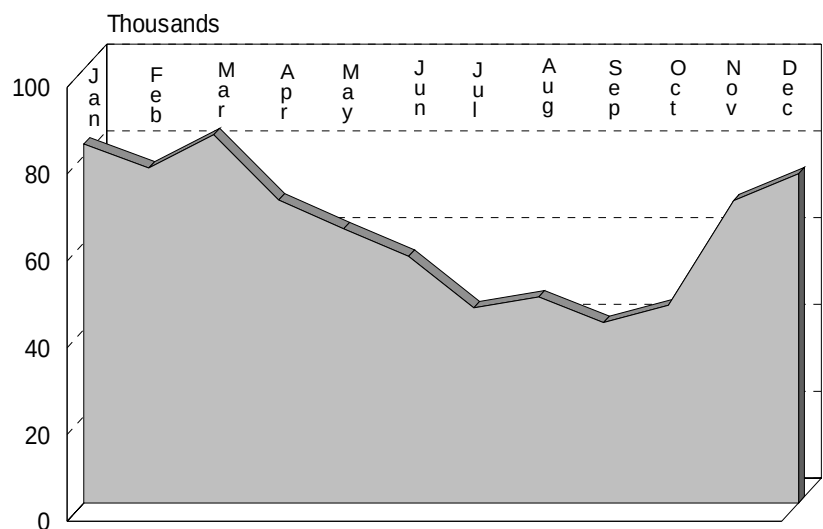
The level of employment and payroll in the economy has a direct effect on the amount of benefits that will potentially need to be paid. Therefore, the capacity of trust fund reserves to pay benefits during recessions cannot be measured simply by the level of reserves. A better measure is the reserve rate, which is the ratio of reserves to total wages subject to contributions. A trust fund reserve rate of approximately 3.2 percent of wages subject to contributions is generally considered adequate in Alaska.

The recession of 1986-87 had a serious impact on Alaska's UI trust fund, but reserves were adequate to maintain solvency. At the end of 1985, Alaska's trust fund reserves were \$145.4 million, and the reserve rate was 3.3%. By 1987, trust fund reserves had fallen to \$63.0 million with a reserve rate of 1.7%. The fund reserve balance bottomed out in April 1988 at \$45.9 million. By the end of 1990, fund reserves had rebuilt to \$224.3 million, with a reserve rate of 4.8%. At the end of 1998, the reserve rate was 3.3%, where it has remained for the past three years. Alaska's UI trust fund had a healthy reserve balance of \$207.5 million.

Administrative funding

In addition to state unemployment taxes, employers pay taxes to the federal government to cover administrative costs. In 1985, these FUTA

UI Claim Seasonality 5

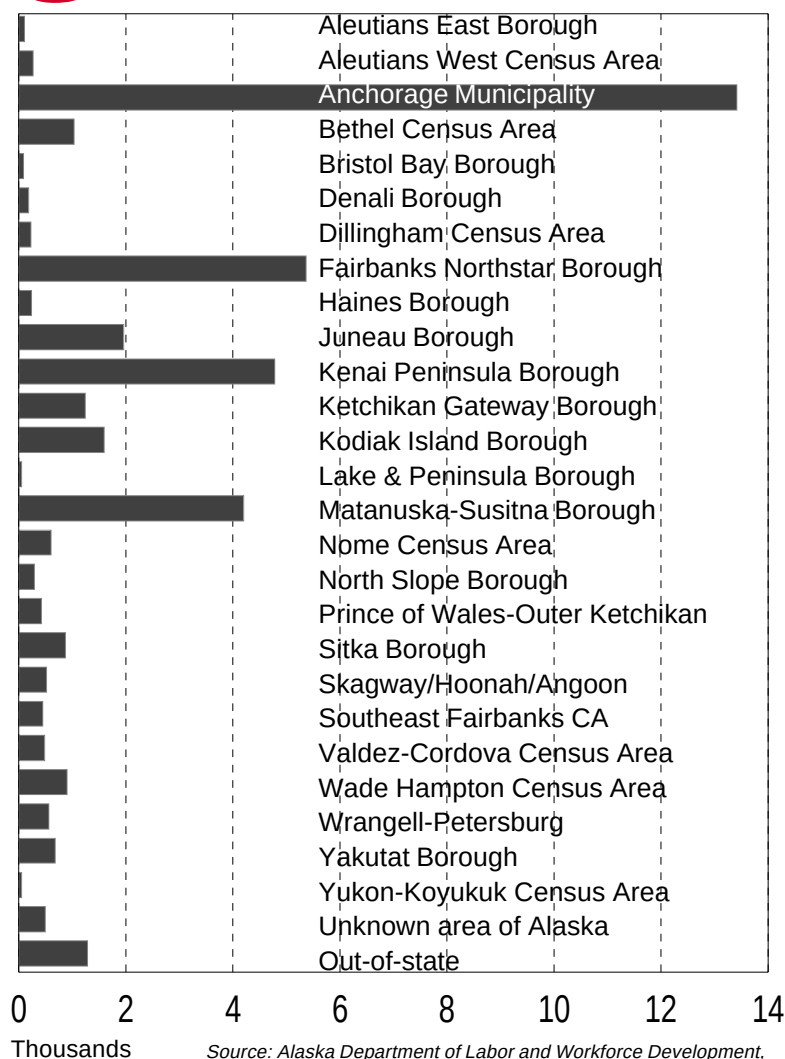


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

(Federal Unemployment Tax Act) taxes were raised to 6.2% of payroll up to a base of \$7,000 per worker. However, as long as state law conforms to federal law, employers receive a credit of 5.4% against their FUTA tax. This credit makes an employer's effective tax rate 0.8%, or \$56 for each employee earning \$7,000 or more annually. Alaska qualifies for this credit, as do the other states. In federal fiscal year 1998, the federal government estimated employers in Alaska

contributed \$13.1 million in FUTA tax revenues. The federal government pays for administration of the state's unemployment program through administrative grants. A portion of FUTA collections, kept in a federal account and not in the state trust fund, funds the grants. In federal fiscal year 1998, Alaska received \$28.1 million in administrative grants (\$20.0 million for unemployment insurance administrative costs and \$8.1 million for employment services). In federal fiscal year 1998, Alaska's total administrative grants amounted to 214.5% of state FUTA contributions, representing more than two dollars returned for every dollar paid in.

6 UI Claimants by Location 1998



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

Financing the benefits

State UI tax revenues collected from employers and employees are the principal source of income to the unemployment insurance trust fund. In 1998, tax contributions to the UI trust fund were \$109.5 million, 74.3% of total revenues. This marks the third straight year of increasing tax contributions. Employers are, however, experiencing lower than average tax rates, and have been since 1991. For employers, the 1999 tax year will mark the eighth year in a row when the average employer tax rate will fall below the 10-year average from 1989 to 1998. In 1999, the average employer tax rate was 2.06% of taxable payroll.

State taxes are assessed on wages up to a set taxable wage base. The tax base is defined in AS 23.20.175(c) as 75 percent of the average annual earnings in covered employment for the immediately preceding year ending June 30. The state taxable wage base was \$24,100 in 1998, and \$24,500 for tax year 1999.

The system of collecting taxes from employers and workers is self-regulating and counter-cyclical, designed to respond quickly to changes in the state's economy. It is set up to delay tax

increases so that the tax hikes do not hit employers during the worst part of a recession. The counter-cyclical effectiveness of the UI program is an economic stabilizer, offsetting negative effects of recessions. A good example was the recession that began in late 1985, when more than 138,000 unemployed workers received unemployment insurance compensation totaling over \$578 million.

The system is effective but wage replacement is low

The UI program has proven its efficacy many times over in the state's history, ranging from the 1964 Good Friday earthquake, the Fairbanks flood of 1967, to the recession in the mid-eighties and, within the last decade, following mill closures in Sitka, Wrangell and Ketchikan. However, it is only as effective as its ability to restore wages lost to unemployment. In Alaska, the current maximum weekly benefit of \$248 is 39 percent of the state's average weekly wage. This is far below the U.S. Department of Labor's 1999 UI program performance goal recommendation that the maximum weekly benefit amount be at least two-thirds the state's average weekly wage. The result is that the average worker in Alaska has become less able to weather a period of unemployment.

While 1998 earned Alaska the distinction of being ranked the highest in the nation in terms of the percentage of eligible unemployed workers who actually received benefits, it ranked 46th in the nation in terms of benefit adequacy, the percentage of average weekly earnings replaced by unemployment benefits. The generally accepted guideline is that the weekly benefit amount should provide a wage replacement that is high enough to cover the claimant's non-deferrable expenses, but not so high as to undermine the incentive to return to work. A generally accepted concept is that the weekly benefit amount should be 50 percent of former

wages. There is no record of the rationale for choosing this percentage. Nevertheless, 50 percent of wages has become so firmly established as a concept in unemployment insurance that it is often referred to as the "principle" of 50 percent of wages. Currently, there are approximately 30 states with a maximum weekly benefit amount equal to or greater than 50 percent of the average weekly wage for the state.

Summary

Alaska's UI benefit paying system is well established and trends in filing patterns remain relatively constant. The trust fund is solvent and tax rates are low. It is clear that the program extends positive impacts across the economy. It is unlikely that the future holds sweeping changes for the system. The challenge in Alaska will be to provide reasonable purchasing power for the unemployed through wage replacement while maintaining incentives to return to work. With proper funding, the program's ability to be the economic stabilizer that it has been in the past will be sustained.

*James Wilson, Labor Economist,
and Thom Wylie, UI Actuary,
contributed to this article.*

Resident/Nonresident Hire

by Jeff Hadland
Economist

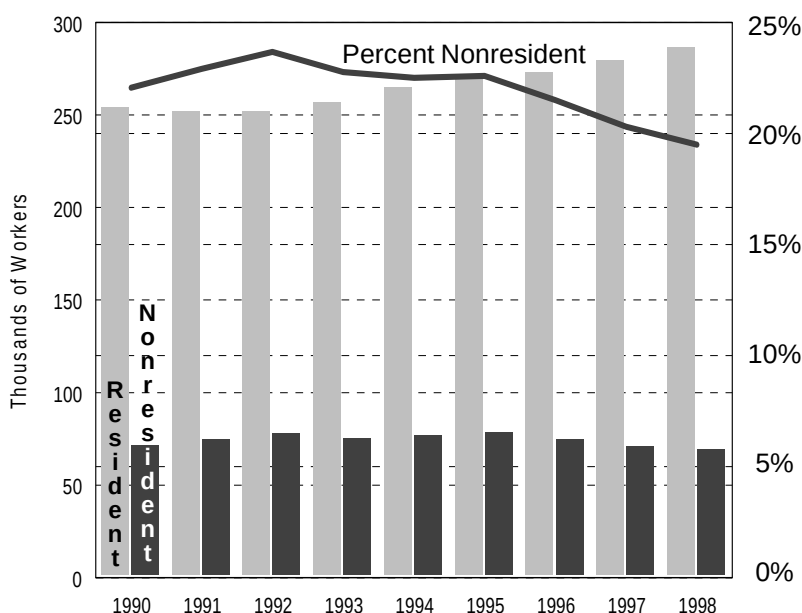
Resident hire continues to make small gains; one/fifth of workforce remains nonresident

The Alaska Department of Labor and Workforce Development (AKDOL) prepares a report each year on resident hire in Alaska. The department also tracks resident hire by employer in several major industry sectors each quarter. This information is collected in order to fulfill legislative requirements, assess the success of resident hire efforts, identify occupations that are eligible for resident hire preference on publicly funded construction projects, and identify opportunities for training program providers and job seekers.

The impact of nonresidents in the workforce

Workers spend most of their earnings where they live. Nonresidents take a major portion of their earnings to their home state, depriving Alaska of the full economic benefits of the employment created in the Alaska economy. One dollar in nine paid in wages in 1998 went to nonresidents. This loss has a direct impact on the total growth rate and income of Alaska, resulting in smaller indirect income and employment than would occur if workers lived in Alaska. Job seeking Alaskans are affected when nonresidents fill positions for which they are available and qualified. Nonresidents also claim benefits from Alaska's Unemployment Insurance fund.

1 Resident and Nonresident Workers Alaska 1990-1998



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

Many employers recruit and hire out-of-state as a matter of convenience or on the assumption that qualified Alaskans are not available. While there are jobs and times where this is true, many jobs which could be filled by qualified Alaskans do go to nonresidents.

Resident hire efforts

To the greatest extent possible, the department's goal is to see that Alaskans are trained and qualified for, and have first chance at, the available job opportunities. AKDOL is involved in a number of initiatives that address these objectives.

Promoting Alaska hire in the oil industry has long been a priority. The recent BP and ARCO merger agreement with the State of Alaska contains

Resident and Nonresident Workers **2** Alaska 1997-1998

commitments for the hiring of Alaska residents in this high paying industry. Enabling legislation for the Northstar project requires detailed reporting of residency data by all contractors.

The seafood processing industry employs a large seasonal work force of mostly nonresident workers at relatively low pay. Since 1995, Governor Knowles has asked major employers to work with AKDOL's Seafood Unit to put more Alaskans, especially rural residents, to work in the state's largest industry. In 1998, offshore processors did hire more Alaskans than in the past; however, most offshore processor employment is counted in Washington state.

	1997 Resident Workers	1998 Resident Workers	Percent Change 1997- 1998	1997 Non- resident Workers	1998 Non- resident Workers	Percent Change 1997- 1998
Ag/Forestry/Fishing	1,900	1,861	-2.1	1,126	722	-35.9
Mining	9,721	10,399	7.0	3,795	3,686	-2.9
Construction	18,777	19,179	2.1	4,816	4,584	-4.8
Manufacturing	13,359	12,783	-4.3	19,849	18,161	-8.5
Trans/Comm/Util	25,930	26,769	3.2	5,174	5,631	8.8
Wholesale Trade	9,624	9,822	2.1	1,793	1,811	1.0
Retail Trade	56,267	57,557	2.3	13,755	13,501	-1.8
Finance/Ins/Real Estate	12,948	13,370	3.3	1,483	1,417	-4.5
Services	69,911	72,893	4.3	15,664	16,215	3.5
Nonclassifiable	174	384	154.0	203	177	-10.3
Total Private Sector	218,611	225,075	3.0	67,658	65,910	-2.6
Local Government	39,280	39,653	0.9	2,447	2,462	0.6
State Government	21,920	21,979	0.3	1,128	1,179	4.5
Total	279,811	286,707	2.5	71,233	69,551	-2.4

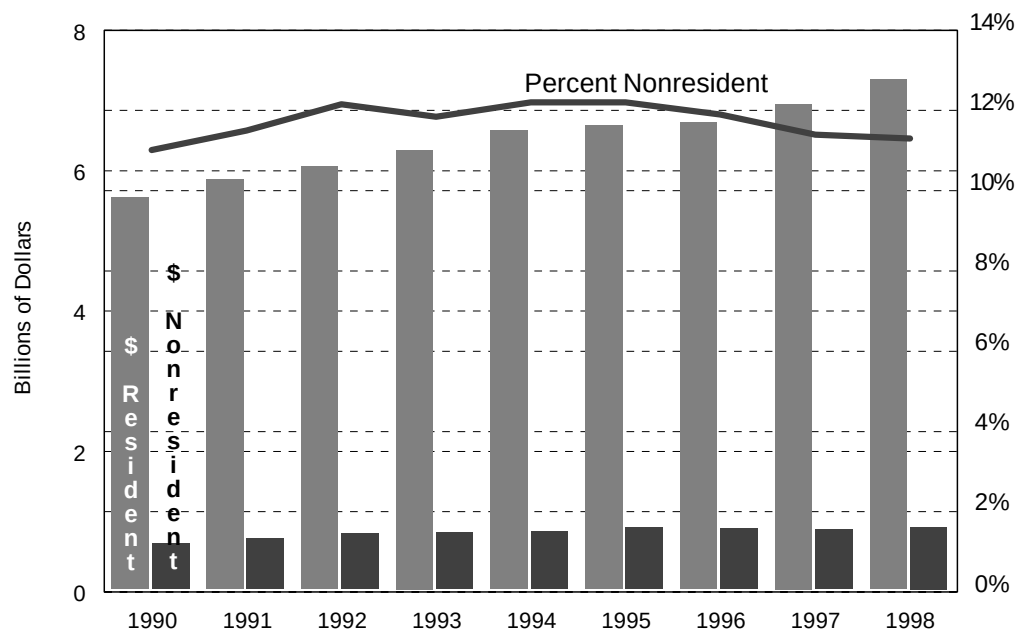
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Welfare reform has created demand for entry level positions for those making the transition out of welfare. State agencies, non-profit welfare reform contractors, and cooperating employers have helped move welfare recipients into many of the occupations and industries with high levels of nonresident hire.

One of the priorities of the State Training and Employment Program (STEP) is training Alaskans in occupations with high non-resident hire. In the past 10 years, STEP has provided training to more than 11,000 workers.

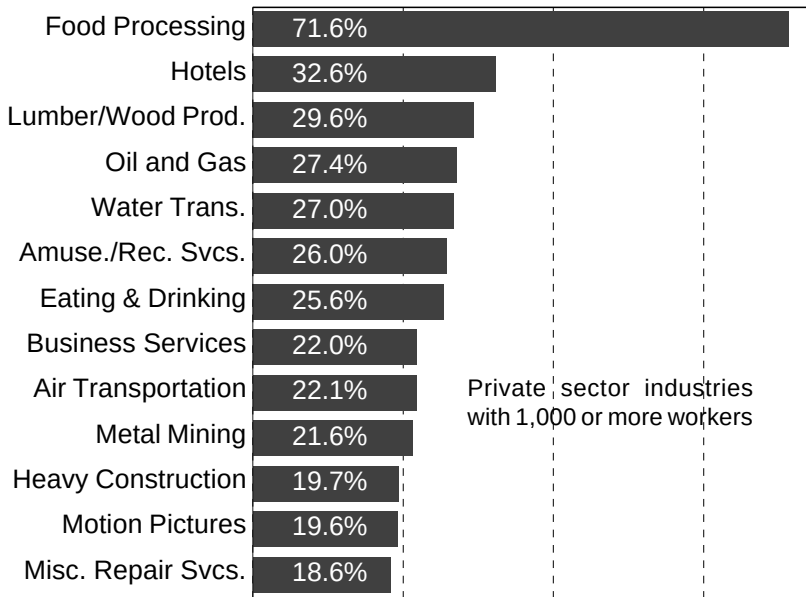
In the construction industry, publicly funded projects are

Resident and Nonresident Wages **3** Alaska 1990-1998



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

4 Industries with High Rates of nonresident workers—1998



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

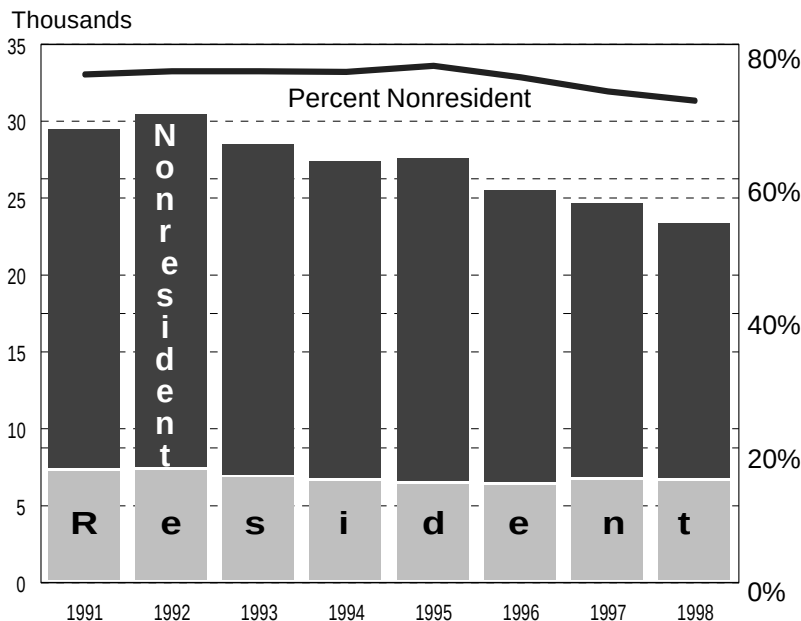
required to hire 90 percent resident workers in 18 occupations, including carpenters, laborers, equipment operators, plumbers and pipe fitters, electricians, painters, and welders. This regulation is currently enforced by AKDOL.¹

Current status of resident hire in Alaska

In 1998, Alaska continued to show improvement in resident hire. Alaska employed more resident workers and reduced the relative share of nonresident workers in its economy. More than 80 percent of all workers employed in Alaska in 1998 were residents.

Nonresident workers made up 19.5% of all workers in 1998. In 1997, nonresidents were 20.3% of the work force; in 1996 21.5%, and in 1995 22.6%. There has been a drop of three percentage points since 1995, and a long decline from the peak percent nonresident hire year of 1992 when 78,000 nonresidents were employed, nearly 24 percent of all workers. 1998 saw the lowest number and percent nonresident workers since 1988.

5 Food Processing Dominated by nonresident workers



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

A total of 69,551 nonresident wage and salary workers were employed in 1998. This was 2.4%, or 1,682 fewer nonresident workers than in 1997. The improvement resulted from fewer in-migrants competing with residents for jobs, more year-around jobs, and the success of training programs in placement of workers. Moderate growth in Alaska allowed recently trained resident workers to fill more of the jobs in 1998.

Total wage and salary earnings in private sector, state and local government jobs totaled \$8.23 billion in 1998. Nonresidents earned about 11.3% of the total (or \$929.6 million), a slight percentage decline from 1997. Earnings for both nonresidents and residents increased from the previous year. Nonresident earnings increased by 3.9% or \$35

¹ A challenge to the constitutionality of the regulation is now before the Alaska Superior Court.

million (\$29.3 million of this increase centered in the oil industry). Resident earnings increased faster, with an overall growth of more than five percent or \$353 million.

The presence of nonresident workers varies widely by industry. Nonresident workers in Alaska are typically found in industries with a large number of seasonal jobs (often relatively low paying), industries with faster than average growth, industries with jobs requiring special skills, and industries where the workers may be employed in remote work sites or camps. Alaska's seasonal industries continued to dominate the list of those with the most nonresident earnings and workers. Seafood processing, hotels, lumber and wood products, and the oil industry were the major industry sectors with the highest percentage of nonresident workers in 1998.

Food processing employs large bloc of nonresidents

The food processing industry continued to employ the highest percentage of nonresidents, 71.6% in 1998. However, continued AKDOL Alaska recruitment efforts, available Alaska workers, and an overall decline in the number of workers contributed to a 1.4% decline since 1997. Nearly 66.5% of wages in this sector went to nonresidents.

Total earnings in food processing increased by \$4.4 million and the total number of workers declined by 1,310. The number of nonresident workers decreased by 1,268 workers or 7.0% while resident workers decreased by only 42 workers between 1997 and 1998. Resident earnings increased by 4.3% or about \$3.9 million and nonresident earnings increased by only \$500,000. The food processing industry is relatively low paying, with nonresident workers earning on average \$4,066 in each quarter that they worked in 1998, an increase of \$260 from 1997.

Occupations with Many Nonresident workers and earnings above median 5

1998 private sector, above \$7,500/qtr

Occupation	Nonresident Workers	Average Earnings per Quarter
Airplane Pilots and Navigators	822	\$16,538
Registered Nurses	620	9,678
Management Related Occupations	488	9,266
Electricians	369	11,335
Plumbers, Pipefitters	369	11,153
Operating Engineers	320	12,644
Welders and Cutters	310	11,383
General Managers & Other Top Executives	286	16,543
Truck Drivers, Heavy	265	9,233
Automobile Mechanics	249	8,768
Dispatchers	247	21,183
Ship Captains & Mates	240	10,865
Extractive Occupations	238	13,871
Heavy Equipment Mechanics	234	12,118
Petroleum Technologists & Technicians	223	21,560
Supervisor; Sales, Retail	203	8,353
Misc. Plant or Systems Operators	173	22,602
Mechanics and Repairers	173	8,415
Construction Trades, not elsewhere classified	161	8,063
Officials and Administrators	159	13,819
Machinery Maintenance Occupations	155	11,613
Manager, Administrative Services	148	10,813
Misc. Material Moving Equipment Operators	142	12,579
Excavating and Loading Machine Operators	141	10,383
Truck Drivers, Tractor-Trailer	140	9,611
Engineers, Other	139	18,565
Inspectors and Compliance Officers	139	13,013
Salespersons; Motor Vehicles	139	9,241
Petroleum Engineers	135	25,172
Supervisors; Overall Construction	132	16,903

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

Oil industry adds resident workers

Alaska's oil industry increased its Alaska work force in 1998 from a low point in 1997. More resident workers were hired during a temporary upswing in activity, decreasing the percent nonresident workers from 29 percent in 1997 to 27.4% in 1998. However, total nonresident earnings increased from 1997 to 1998 with 26.4% of earnings going to nonresidents.

Changes to the number of nonresidents in the oil industry have been relatively small during the 1990s. The percent has fluctuated as the number of resident workers has increased or decreased. (See Exhibit 6).

Oilfield service companies showed continuing

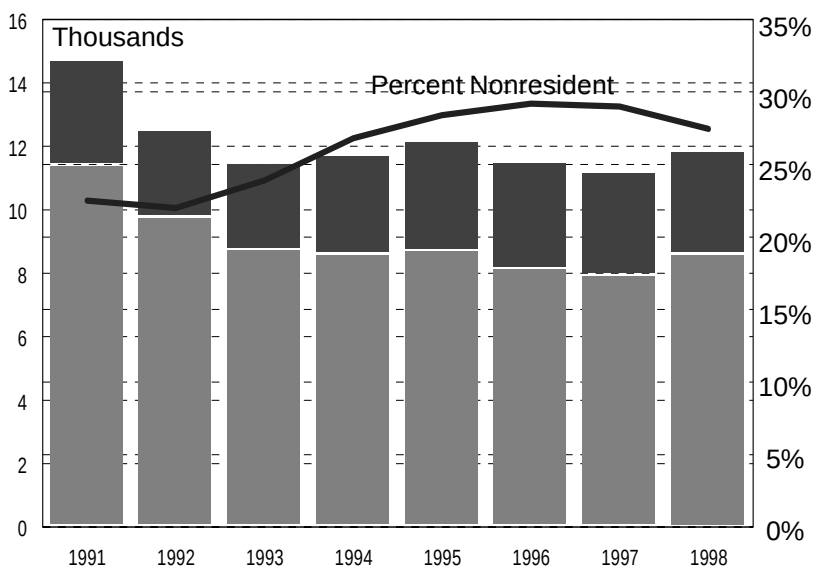
improvement in their resident hire numbers. The percent nonresident workers dropped to 27.8% in 1998 from 30 percent in 1997. Major oil companies showed flat employment numbers and no improvement in resident hire performance over 1997; 26.3% of workers were nonresident in 1998.

The earnings differential in favor of nonresidents in the oil industry increased in 1998. Earnings paid to nonresidents in 1998 were approximately \$193 million, 26.4% of the total. Major oil companies, on average, paid out 27.3% of their earnings to nonresidents while oilfield service companies paid 25.7% of earnings to nonresidents. In 1998 the oil industry paid residents an average of \$16,926 per quarter worked while paying nonresidents \$19,085 per quarter. In 1997, nonresidents were paid only \$597 more per quarter than residents.

1998 shows improvement over 1997 across most industry sectors

From 1997 to 1998 the total number of residents working in Alaska increased while the number of nonresident workers declined. The direction of employment change for nonresidents between 1997 and 1998 varied by industry, with most industry sectors showing a decline in the number of nonresident workers. Agriculture, forestry and fishing showed a 35.9% drop in nonresident workers. The manufacturing industry had the next largest private sector percentage drop in nonresident workers, an 8.5% decline or a loss of 1,688 workers (1,310 workers in food and kindred products). The private sector as a whole showed 2.6% fewer nonresident workers. The transportation industry had the largest increase in nonresident workers, associated with rapid growth in the air transportation sector.

6 Oil Industry Nonresident Numbers and percents 1991–1998



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

High paying occupations with large numbers of nonresidents

Nonresident workers are found in large numbers in a wide variety of occupations; in particular, seafood processing occupations, retail sales, eating and drinking occupations, general office occupations and construction occupations. Many occupations with large numbers of nonresident workers have relatively high pay and, although they may require significant training or education, represent an opportunity for training programs in Alaska or a career path for unemployed Alaskans. Exhibit 5 shows occupations with large numbers of nonresidents and 1998 quarterly earnings in excess of \$7,500, the median quarterly earnings.

Alaska firms hiring the largest numbers of nonresidents

Exhibit 8 shows the top five employers by industry, sorted by the total number of nonresident workers they employed. The percentage and the total number of nonresidents should be examined together.

Geographic distribution of local residents, Alaska residents and nonresidents

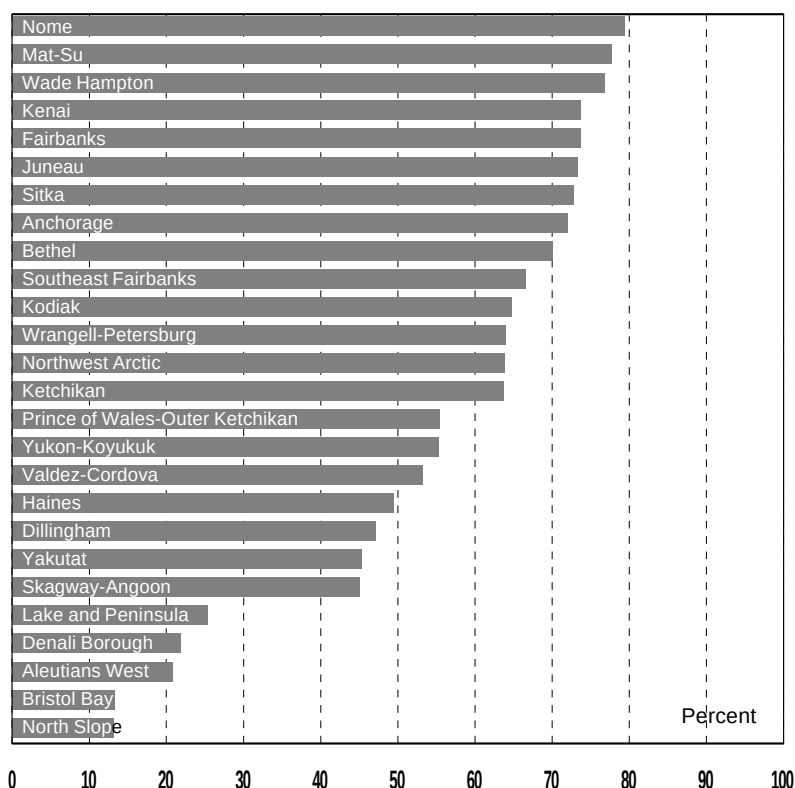
The North Slope Borough, with its many rotating oil workers, has the lowest percent of local resident workers. (See Exhibits 7 and 9.) Other areas with low percents of local resident workers include those with large seasonal seafood processing industries. Rural areas with relatively few job opportunities have the highest level of local resident employment.

In Exhibit 9, the percent nonresident workers by area is displayed for Alaska's private sector. The highest percent nonresident workers are found

in the Southwest Region, primarily the Aleutians East and the Bristol Bay Boroughs, and Aleutians West and Lake and Peninsula census areas. Most of these workers were engaged in seafood processing. Other areas with a high percentage of nonresident workers include Yakutat, Skagway/Angoon, Denali Borough and Kodiak.

For further information about resident hire in Alaska see Nonresidents Working in Alaska—1998 at <http://www.labor.state.ak.us/research/research/emp.htm>

Local Residents' Percent of total workers—private sector 1998



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

8 Top Employers of Nonresidents

By industry—1998

	Resident Workers	Nonresident Workers	Percent Nonresident
Mining			
Alaska Petroleum Contractors Inc.	1,592	676	29.8%
BP Exploration Alaska Inc.	766	489	38.9
ARCO Alaska, Inc.	1,290	297	18.7
Peak Oilfield Services Co.	938	267	22.1
VECO Operations Inc.	606	266	30.5
Construction			
Houston Contracting Co. AK Ltd.	625	132	17.4
Conam Construction Co.	236	127	34.9
Udelhoven Oilfield System Svc.	200	78	28.0
H.C. Price Co.	459	69	13.0
Wolverine Supply, Inc.	463	68	12.8
Manufacturing			
Trident Seafoods Corp.	257	3101	92.3
Wards Cove Packing Co., Inc.	630	1671	72.6
Unisea, Inc.	396	1312	76.8
Icicle Seafoods Inc.	517	1259	70.8
Peter Pan Seafoods Inc.	304	1120	78.6
Transportation/Comm/Utilities			
Dynair Service, Inc.	492	394	44.4
Northwest Airlines, Inc.	187	283	60.2
Westours Motorcoaches Inc.	555	243	30.4
Federal Express Corp.	1,005	240	19.2
Alaska Airlines, Inc.	1,833	224	10.8
Wholesale Trade			
Baker Hughes Oilfield Operations	84	90	51.7
Officemax	195	60	23.5
Dresser Industries Inc.	165	50	23.2
Western Pioneer, Inc.	245	36	12.8
Anchorage Cold Storage	483	33	6.0
Retail Trade			
Aramark Leisure Services Group, Inc.	304	963	76.0
Carr Gottstein Foods Co.	4,942	573	10.3
KMart Corp.	1,784	494	21.6
Fred Meyer Shopping Centers	3,177	474	12.9
Wal-Mart Associates, Inc.	2,377	452	15.9
Finance/Insurance/Real Estate			
Alaska USA Federal Credit Union	1,016	140	12.1
National Bank of Alaska	1,524	88	5.4
Cusack Development, Inc.	271	78	22.3
First National Bank of Anchorage	967	74	7.1
Keybank National Association	304	42	12.1
Services			
Providence Hospital	3,420	456	11.7
Alaska Hotel Properties, Inc.	557	400	41.8
Westmark Hotels, Inc.	927	331	26.3
Labor Ready, Inc.	562	269	32.3
Ogden Facility Management of AK	976	211	17.7

Methodology—How is the number of nonresident workers estimated?

Alaska residency is determined by matching the Alaska Department of Revenue Permanent Fund Dividend (PFD) file with the Alaska Department of Labor and Workforce Development wage file. The PFD file lists Alaskans who either applied for or received a PFD. The wage file contains quarterly earnings and industry information on workers covered by unemployment insurance within Alaska. Workers in the wage file are considered Alaska residents if they either received a 1998 PFD or applied for a 1999 PFD.

For the purposes of this analysis, Alaska residency is determined by matching the worker's social security number on the wage file with the social security number on the PFD file. Those few with missing social security numbers are excluded from the analysis.

Information from both the 1998 and 1999 dividend years is used to improve the accuracy of the residency classification. Resident workers who left Alaska during 1998 are identified and counted as residents. New workers who arrived in Alaska after January 1, 1998, would generally be counted as nonresidents.

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

Workers and Earnings by Place of Work and Residency

Private sector wage and salary workers 1998

9

	Resident Workers		Nonresident Workers		Resident Wages		Nonresident Wages	
	Local Resident	Other Alaska Res.	Number	Pct. Non-Res.	Local Resident	Other AK Resident	\$Amount	Pct. Non-Res.
Anchorage/Mat-Su Reg.								
Anchorage	90,413	13,024	21,373	17.1%	\$2,332,735,819	\$290,788,427	\$295,357,466	10.1%
Mat-Su	10,301	1,356	1,534	11.6	177,896,197	29,446,142	10,741,730	4.9
Gulf Coast Region								
Kenai	14,168	1,407	3,555	18.6	291,823,037	29,436,043	26,480,683	7.6
Kodiak	4,453	460	1,927	28.2	87,465,108	8,219,997	17,431,850	15.4
Valdez-Cordova	3,206	943	1,846	30.8	88,702,298	24,050,427	21,506,396	16.0
Interior Region								
Denali Borough	492	837	884	39.9	17,236,325	17,838,882	7,136,282	16.9
Fairbanks	24,062	2,775	5,666	17.4	550,314,163	54,105,330	51,930,948	7.9
Southeast Fairbanks	1,076	227	305	19.0	14,701,061	4,366,014	2,321,673	10.9
Yukon-Koyukuk	1,190	532	415	19.4	16,266,738	15,853,016	5,590,789	14.8
Northern Region								
Nome	2,403	304	307	10.2	47,877,207	6,737,580	3,830,520	6.6
North Slope Borough	1,592	6,904	3,308	28.0	50,863,536	374,210,275	166,627,409	28.2
Northwest Arctic Borough	1,776	612	377	13.6	43,472,487	28,218,954	14,108,068	16.4
Southeast Region								
Haines	764	139	630	41.1	10,394,093	2,259,837	5,024,755	28.4
Juneau	9,178	1,010	2,289	18.3	205,755,070	18,318,968	23,572,116	9.5
Ketchikan	5,200	507	2,410	29.7	120,096,410	8,076,002	23,886,204	15.7
POW-Outer Ketchikan	1,583	477	777	27.4	29,914,778	11,206,426	9,175,934	18.2
Sitka	2,782	264	761	20.0	55,249,628	3,260,650	6,585,304	10.1
Skagway-Angoon	898	283	795	40.2	14,748,456	4,022,258	7,257,083	27.9
Wrangell-Petersburg	1,865	231	805	27.7	30,145,409	3,784,736	7,319,114	17.7
Yakutat	236	76	206	39.8	3,606,080	1,110,985	2,380,097	33.5
Southwest Region								
Aleutians East	411	439	2,564	75.1	7,647,331	8,798,118	27,843,026	62.9
Aleutians West	1,255	692	3,975	67.1	33,269,118	18,389,754	42,724,456	45.3
Bethel	4,208	945	827	13.8	56,331,086	17,324,846	9,455,084	11.4
Bristol Bay Borough	430	487	2,239	70.9	9,599,477	5,648,842	13,991,492	47.9
Dillingham	1,276	422	990	36.8	26,842,927	7,126,224	7,508,278	18.1
Lake and Peninsula	309	222	671	55.8	2,800,980	3,235,448	4,986,954	45.2
Wade Hampton	1,038	200	109	8.1	10,142,940	4,622,898	899,877	5.7
Other/Unknown	0	437	2,990	87.2	0	9,027,405	28,282,530	75.8
Total Private Sector	186,565	36,212	64,353	22.5	4,335,897,758	1,009,484,484	843,956,118	13.6

Note: Place of Alaska residence determined by most recent Permanent Fund Dividend address. Place of work is determined from data provided by 90 percent of employers on quarterly UI wage records or from employer primary business location.

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

Labor Market Buttons Up for the Winter

Alaska Employment Scene

by
John Boucher
Labor Economist

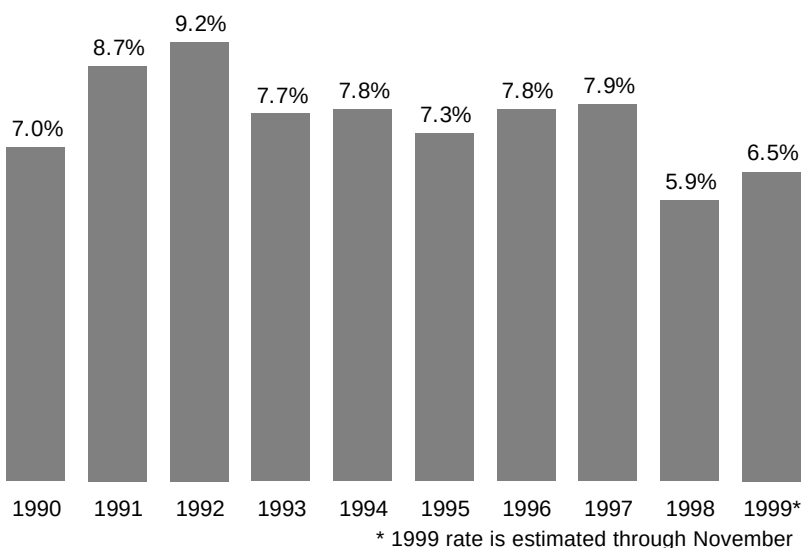
Alaska's statewide unemployment rate increased four-tenths of a percentage point in November to 5.8%. The 5.8% rate meant that nearly 18,200 Alaskans were unemployed during November, an increase of nearly 1,000 from October. In November of 1998, nearly 17,400 Alaskans were unemployed and the statewide unemployment rate was 5.5%. (See Exhibit 7.) The comparable national unemploy-

ment rate (civilian not seasonally adjusted) in November was 3.8%.

Barring a dramatic increase in unemployment in December, the annual average unemployment rate for 1999 will be near 6.5%. If 1999's rate falls below 6.7%, it would be the second-lowest rate in the last twenty years, but it would be an increase from 1998's record-setting rate of 5.9%. It also marks the seventh straight year that Alaska's unemployment rate was below 8.0%. (See Exhibit 1.) Alaska's job market has been relatively strong in 1999, but not as strong as it was in 1998. Layoffs in Alaska's oil patch and related industries are the main reason Alaska's labor market experienced higher unemployment in 1999 than in 1998.

1 Unemployment Rate Low But up from 1998

Annual average unemployment rate 1990-99



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

Unemployment increase typical for month

November's increase in unemployment was in line with seasonal expectations. Other economic indicators such as the level of unemployment claims and the wage and salary job count corroborated the monthly trend in unemployment. During the last twenty years Alaska's unemployment rate has averaged a four-tenths of a percentage point increase in November, so this November's increase matched the 20-year average. The highest regional

unemployment rate was recorded in the Wade Hampton Census Area at 13.3%; the lowest was in the Sitka Borough at 3.9%.

Numbers show seasonal downturn

November's wage and salary employment statistics showed a broad seasonal downturn, as the economy lost 7,700 jobs. Nearly every major industry lost ground as winter job losses mounted. Job gains were limited to the segments of retail trade that added staff for the holiday shopping season. Compared to last November, the economy registered a gain of 2,400 jobs, which translated into a growth rate of 0.9%. Over-the-year job gains were in services, retail trade, transportation, construction and financial sectors. Job losses were posted in the mining, (primarily oil and gas) and manufacturing (primarily seafood processing) industries. (See Exhibit 4.)

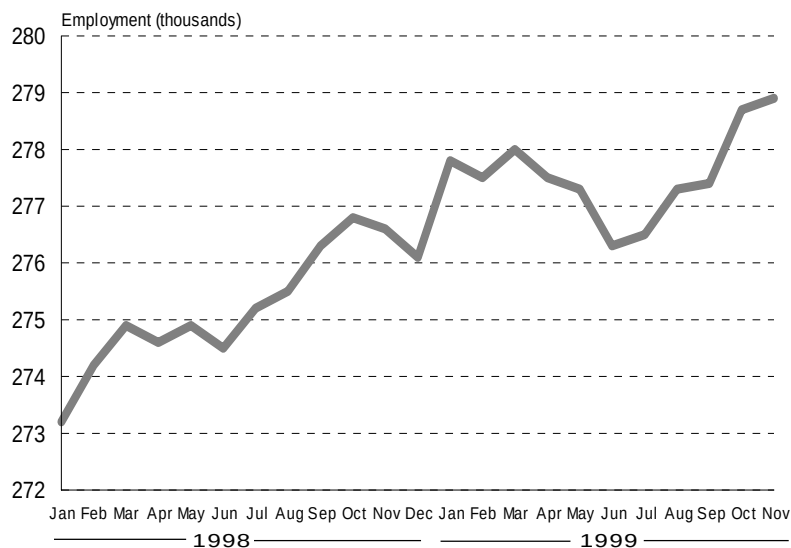
Seasonally adjusted employment rebounds

Seasonally adjusted wage and salary employment statistics can help identify turning points in Alaska's overall employment picture. (The seasonal adjustment process attempts to remove typical seasonal patterns from the employment statistics, which helps identify the underlying direction in which employment is moving.) Seasonally adjusted wage and salary employment statistics had been drifting downward through much of the first three quarters of 1999. The last few months have seen those figures rebound, indicating that the worst of the contraction associated with the layoffs in Alaska's oil and gas sector have subsided, at least for the moment. Seasonally adjusted employment began growing again in July after four months of declines. In October and November, the seasonally adjusted employment total surpassed the previous all-time high of 278,000 that was posted in March of 1999. (See Exhibit 2.)

(continued on page 22)

Employment Rebounds 2

Alaska seasonally adjusted Jan. 98–Nov. 99

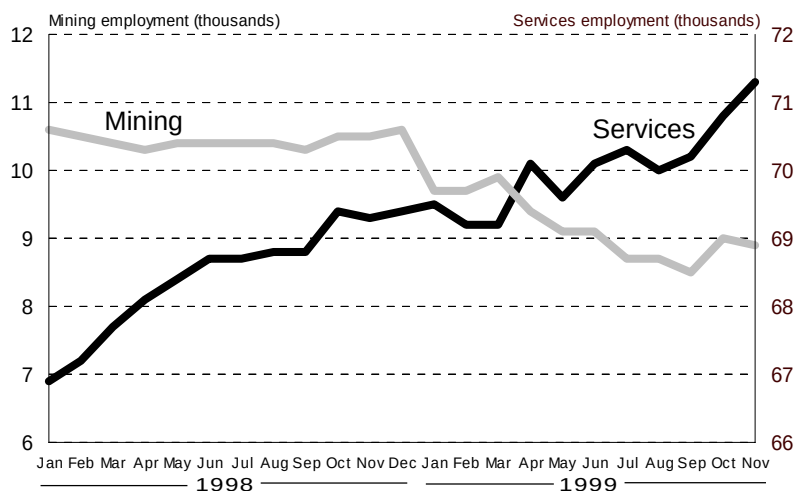


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Oil and Gas Losses Offset 3

By services employment gains

Seasonally adjusted employment–Jan. 98–Nov. 99



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

4 Nonagricultural Wage and Salary Employment

By place of work

Alaska	preliminary 11/99	revised 10/99	Changes from:		
			11/98	10/99	11/98
Total Nonag. Wage & Salary	271,700	279,400	269,300	-7,700	2,400
Goods-producing	32,300	37,600	34,000	-5,300	-1,700
Service-producing	239,400	241,800	235,300	-2,400	4,100
Mining	8,800	9,200	10,400	-400	-1,600
Oil & Gas Extraction	7,400	7,700	8,900	-300	-1,500
Construction	13,400	15,300	13,000	-1,900	400
Manufacturing	10,100	13,100	10,600	-3,000	-500
Durable Goods	2,700	2,900	2,700	-200	0
Lumber & Wood Products	1,600	1,800	1,800	-200	-200
Nondurable Goods	7,400	10,200	7,900	-2,800	-500
Seafood Processing	4,700	7,500	5,200	-2,800	-500
Transportation/Comm/Utilities	25,900	26,900	24,800	-1,000	1,100
Trucking & Warehousing	2,900	3,000	2,900	-100	0
Water Transportation	1,700	2,000	1,600	-300	100
Air Transportation	9,100	9,300	8,900	-200	200
Communications	5,200	5,300	4,400	-100	800
Electric, Gas & Sanitary Svcs.	2,700	2,600	2,600	100	100
Trade	57,400	57,500	56,500	-100	900
Wholesale Trade	8,900	9,000	8,700	-100	200
Retail Trade	48,500	48,500	47,800	0	700
Gen. Merchandise & Apparel	10,500	10,000	10,000	500	500
Food Stores	7,000	7,000	7,300	0	-300
Eating & Drinking Places	15,900	16,200	15,600	-300	300
Finance/Insurance/Real Estate	12,700	12,700	12,500	0	200
Services & Misc.	68,900	70,200	67,000	-1,300	1,900
Hotels & Lodging Places	5,800	6,700	5,500	-900	300
Business Services	8,900	8,900	9,100	0	-200
Health Services	15,700	15,500	15,100	200	600
Legal Services	1,600	1,600	1,600	0	0
Social Services	7,900	7,900	7,500	0	400
Engineering & Mgmt. Svcs.	8,000	8,200	7,800	-200	200
Government	74,500	74,500	74,500	0	0
Federal	16,500	16,700	16,500	-200	0
State	22,100	22,000	22,100	100	0
Local	35,900	35,800	35,900	100	0

Municipality of Anchorage	preliminary 11/99	revised 10/99	Changes from:		
			11/98	10/99	11/98
Total Nonag. Wage & Salary	132,100	132,800	130,000	-700	2,100
Goods-producing	11,200	12,600	11,300	-1,400	-100
Service-producing	120,900	120,200	118,700	700	2,200
Mining	2,300	2,400	2,700	-100	-400
Oil & Gas Extraction	2,100	2,200	2,500	-100	-400
Construction	6,900	8,100	6,700	-1,200	200
Manufacturing	2,000	2,100	1,900	-100	100
Transportation/Comm/Utilities	14,300	14,400	13,200	-100	1,100
Air Transportation	6,100	6,100	5,800	0	300
Communications	3,500	3,400	2,700	100	800
Trade	32,400	31,700	32,100	700	300
Wholesale Trade	6,500	6,400	6,400	100	100
Retail Trade	25,900	25,300	25,700	600	200
Gen. Merchandise & Apparel	5,400	4,900	5,100	500	300
Food Stores	2,700	2,700	3,000	0	-300
Eating & Drinking Places	9,100	9,100	9,000	0	100
Finance/Insurance/Real Estate	7,600	7,500	7,500	100	100
Services & Misc.	37,900	38,000	36,800	-100	1,100
Hotels & Lodging Places	2,800	2,900	2,500	-100	300
Business Services	6,400	6,300	6,600	100	-200
Health Services	8,400	8,300	8,000	100	400
Legal Services	1,200	1,200	1,200	0	0
Social Services	3,600	3,600	3,500	0	100
Engineering & Mgmt. Svcs.	5,800	5,700	5,500	100	300
Government	28,700	28,600	29,100	100	-400
Federal	9,900	9,900	9,900	0	0
State	8,800	8,700	8,800	100	0
Local	10,000	10,000	10,400	0	-400

Notes to Exhibits 4, 5, & 6—Nonagricultural excludes self-employed workers, fishers, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska.

Exhibits 4 & 5—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 6—Prepared in part with funding from the Employment Security Division.

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

5 Hours and Earnings

for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 11/99	revised 10/99	11/98	preliminary 11/99	revised 10/99	11/98	preliminary 11/99	revised 10/99	11/98
Mining	\$1,368.99	\$1,421.32	\$1,420.02	47.8	52.7	48.3	\$28.64	\$26.97	\$29.40
Construction	1,040.06	1,165.42	1,024.81	39.1	43.1	39.1	26.60	27.04	26.21
Manufacturing	492.12	550.67	491.43	36.0	43.6	37.6	13.67	12.63	13.07
Seafood Processing	286.98	445.50	319.14	33.1	45.0	33.7	8.67	9.90	9.47
Transportation/Comm/Utilities	679.32	691.00	679.96	34.0	35.6	35.6	19.98	19.41	19.10
Trade	441.43	443.85	432.39	33.8	33.0	34.1	13.06	13.45	12.68
Wholesale Trade	622.19	619.38	647.16	37.8	37.0	37.3	16.46	16.74	17.35
Retail Trade	410.44	413.44	393.29	33.1	32.3	33.5	12.40	12.80	11.74
Finance/Insurance/Real Estate	612.61	611.61	575.09	35.7	35.6	36.7	17.16	17.18	15.67

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

Benchmark: March 1998

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

6 Nonagricultural Wage and Salary Employment

By place of work

			Changes from:					Changes from:		
	preliminary	revised	11/98	10/99	11/98	11/99	10/99	11/98	10/99	11/98
Fairbanks										
North Star Borough										
Total Nonag. Wage & Salary	33,200	33,350	32,600	-150	600					
Goods-producing	3,250	3,550	3,250	-300	0					
Service-producing	29,950	29,800	29,350	150	600					
Mining	850	900	900	-50	-50					
Construction	1,850	2,050	1,800	-200	50					
Manufacturing	550	600	550	-50	0					
Transportation/Comm/Utilities	2,900	2,900	2,900	0	0					
Trucking & Warehousing	550	600	550	-50	0					
Air Transportation	800	800	700	0	100					
Communications	450	450	450	0	0					
Trade	7,100	7,050	7,100	50	0					
Wholesale Trade	950	950	850	0	100					
Retail Trade	6,150	6,100	6,250	50	-100					
Gen. Merchandise & Apparel	1,250	1,150	1,300	100	-50					
Food Stores	700	700	750	0	-50					
Eating & Drinking Places	2,100	2,150	2,100	-50	0					
Finance/Insurance/Real Estate	1,200	1,150	1,100	50	100					
Services & Misc.	7,850	8,000	7,600	-150	250					
Hotels & Lodging Places	700	750	750	-50	-50					
Health Services	2,000	2,000	1,850	0	150					
Government	10,900	10,700	10,650	200	250					
Federal	3,150	3,150	3,100	0	50					
State	4,600	4,550	4,550	50	50					
Local	3,150	3,000	3,000	150	150					
Interior Region										
Total Nonag. Wage & Salary	37,950	38,700	37,350	-750	600					
Goods-producing	3,550	3,850	3,500	-300	50					
Service-producing	34,400	34,850	33,850	-450	550					
Mining	1,000	1,100	1,050	-100	-50					
Construction	1,950	2,100	1,850	-150	100					
Manufacturing	600	650	600	-50	0					
Transportation/Comm/Utilities	3,550	3,700	3,500	-150	50					
Trade	7,800	8,000	7,800	-200	0					
Finance/Insurance/Real Estate	1,250	1,250	1,150	0	100					
Services & Misc.	8,650	9,000	8,400	-350	250					
Hotels & Lodging Places	850	1,050	850	-200	0					
Government	13,150	12,900	13,000	250	150					
Federal	3,650	3,650	3,650	0	0					
State	4,850	4,750	4,800	100	50					
Local	4,650	4,500	4,550	150	100					
Anchorage/Mat-Su Region										
Total Nonag. Wage & Salary	145,100	146,200	142,100	-1,100	3,000					
Goods-producing	12,500	13,950	12,550	-1,450	-50					
Service-producing	132,600	132,250	129,550	350	3,050					
Mining	2,300	2,400	2,700	-100	-400					
Construction	8,050	9,300	7,750	-1,250	300					
Manufacturing	2,150	2,250	2,100	-100	50					
Transportation/Comm/Utilities	15,400	15,550	14,250	-150	1,150					
Trade	35,700	35,100	34,950	600	750					
Finance/Insurance/Real Estate	8,100	8,050	8,000	50	100					
Services & Misc.	41,500	41,800	40,150	-300	1,350					
Government	31,900	31,750	32,200	150	-300					
Federal	10,050	10,050	10,050	0	0					
State	9,650	9,600	9,600	50	50					
Local	12,200	12,100	12,550	100	-350					
Southwest Region										
Total Nonag. Wage & Salary	14,750	16,250	15,100	-1,500	-350					
Goods-producing	2,400	3,500	2,800	-1,100	-400					
Service-producing	12,350	12,750	12,300	-400	50					
Seafood Processing	2,150	3,250	2,550	-1,100	-400					
Government	5,750	5,850	5,700	-100	50					
Federal	350	300	350	50	0					
State	500	500	450	0	50					
Local	4,900	5,050	4,900	-150	0					
Gulf Coast Region										
Total Nonag. Wage & Salary	24,900	27,000	25,100	-2,100	-200					
Goods-producing	4,750	6,350	5,150	-1,600	-400					
Service-producing	20,150	20,650	19,950	-500	200					
Mining	1,050	1,050	1,300	0	-250					
Oil & Gas Extraction	1,000	1,050	1,300	-50	-300					
Construction	1,250	1,500	1,200	-250	50					
Manufacturing	2,450	3,800	2,650	-1,350	-200					
Seafood Processing	1,450	2,800	1,650	-1,350	-200					
Transportation/Comm/Utilities	2,300	2,400	2,350	-100	-50					
Trade	5,100	5,150	4,900	-50	200					
Wholesale Trade	550	600	500	-50	50					
Retail Trade	4,550	4,550	4,400	0	150					
Eating & Drinking Places	1,350	1,400	1,300	-50	50					
Finance/Insurance/Real Estate	750	750	700	0	50					
Services & Misc.	5,250	5,500	5,200	-250	50					
Health Services	1,150	1,150	1,100	0	50					
Government	6,750	6,850	6,800	-100	-50					
Federal	650	700	650	-50	0					
State	1,550	1,600	1,600	-50	-50					
Local	4,550	4,550	4,550	0	0					
Northern Region										
Total Nonag. Wage & Salary	14,600	14,750	15,700	-150	-1,100					
Goods-producing	4,550	4,700	5,500	-150	-950					
Service-producing	10,050	10,050	10,200	0	-150					
Mining	4,150	4,250	5,000	-100	-850					
Oil & Gas Extraction	3,750	3,850	4,600	-100	-850					
Government	4,400	4,450	4,400	-50	0					
Federal	100	150	150	-50	-50					
State	300	300	300	0	0					
Local	4,000	4,000	3,950	0	50					

7 Unemployment Rates by Region and Census Area

Not Seasonally Adjusted	Percent Unemployed		
	preliminary	revised	
	11/99	10/99	11/98
United States	3.8	3.8	4.1
Alaska Statewide	5.8	5.4	5.5
Anch/Mat-Su Region	4.5	4.5	4.2
Municipality of Anchorage	4.1	4.1	3.7
Mat-Su Borough	6.6	6.3	6.4
Gulf Coast Region	11.1	8.8	10.1
Kenai Peninsula Borough	11.0	10.1	9.9
Kodiak Island Borough	12.0	4.6	11.5
Valdez-Cordova	10.0	9.4	8.8
Interior Region	5.9	5.6	6.2
Denali Borough	10.6	9.3	9.5
Fairbanks North Star Borough	5.2	5.1	5.7
Southeast Fairbanks	10.6	9.4	9.7
Yukon-Koyukuk	11.8	10.0	12.2
Northern Region	9.2	9.1	7.7
Nome	8.9	8.6	8.6
North Slope Borough	7.6	7.7	5.1
Northwest Arctic Borough	12.2	12.2	10.7
Southeast Region	5.6	5.3	5.9
Haines Borough	11.4	8.8	8.4
Juneau Borough	4.4	4.7	5.3
Ketchikan Gateway Borough	6.4	5.8	6.7
Prince of Wales-Outer Ketchikan	8.4	7.3	7.4
Sitka Borough	3.9	4.5	4.4
Skagway-Hoonah-Angoon	5.6	4.3	5.9
Wrangell-Petersburg	6.9	6.0	7.2
Yakutat Borough	5.8	4.2	8.5
Southwest Region	7.9	7.3	7.2
Aleutians East Borough	4.5	4.3	3.3
Aleutians West	6.2	4.4	4.8
Bethel	7.8	8.2	8.1
Bristol Bay Borough	9.9	7.4	9.1
Dillingham	7.9	7.0	5.7
Lake & Peninsula Borough	4.1	3.8	6.3
Wade Hampton	13.3	12.0	11.3
Seasonally Adjusted			
United States	4.1	4.1	4.4
Alaska Statewide	5.9	5.7	5.2

March 1998 Benchmark

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

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

(continued from page 19)

Several factors have been critical in the return of employment growth to Alaska's economy. Probably the most critical has been the cessation of employment declines in Alaska's oil and gas sector. From the last quarter of 1998 through the middle of 1999, oil and gas job losses drove overall employment downward, but for the last several months, the oil and gas industry appears to have hit a plateau. The second critical factor has been a resumption of employment gains in Alaska's services sector. (See Exhibit 3.) Since January, employment gains in the services sector have offset job losses that have occurred in oil and gas. This allowed the performance in other sectors of Alaska's economy, particularly the trade, and transportation, communications and utilities sectors, to carry the overall employment numbers to growth.

This analysis is not meant to discount job losses that have occurred in Alaska's oil and gas industry. Oil and gas jobs are among the highest paying employment opportunities in Alaska's private sector. Offsetting job losses in the oil and gas industry with service industry job growth does not remove the sting from oil patch contraction, but it does relieve a portion of the negative effects that contraction is having on the economy.

Employer Resources

The Alaska Job Center Network (AJCN) web site links employers with services listed in the Employer Connection drop-down box and through the Employer Connection page. Point your browser to www.jobs.state.ak.us and click the Employer Connection drop-down box for a list of basic services. Or click the Employer Connection go button for more links.



The *Alaska Employment Security Tax Handbook* has been updated and reissued for 2000. It is now available on the Internet. Printed copies are expected to be available about March 1.

