ALASKA ECONOMIC TRENDS

FEBRUARY 2006

Fisheries Employment Picture Improves

WHAT'S INSIDE

ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Frank H. Murkowski, Governor
Greg O'Claray, Commissioner

ALASKA ECONOMIC TRENDS

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Alaska's Fisheries – A Success Story of Recovery

by Governor Frank H. Murkowski

Alaska is a state rich in natural resources and one of the most important is fish. Our wealth includes 50 percent of the nation's commercial harvest from the sea. I'm encouraged by recent figures showing improvements in Alaska's seafood industry.

Total earnings, employment and exports have all increased over the past two years. Almost 4 billion pounds were harvested in 2004, generating close to $1 billion in gross earnings, more than 6,700 direct jobs and the core economy for much of coastal Alaska. This month's *Trends* discusses this rebound, which comes after an eight-year steady decline.

Early in my administration, we began taking steps to invigorate an industry wounded by a boom in farmed fish production. Through our Alaska's Fisheries Revitalization Strategy, we're pumping $50 million over several years into the state's seafood industry with economic grants, a worldwide marketing campaign and disaster relief funds.

Key to the success of our efforts has been the partnership between government and the seafood industry. The collaboration of the departments of Labor & Workforce Development, Fish and Game, and Commerce, Community and Economic Development, along with those in the industry, has resulted in an additional $40 million in matching contributions from the seafood industry.

Across the state, we've invested resources to improve productivity and innovation. We've provided disaster relief assistance to individual fishermen and communities most impacted by the farmed fish industry. We've worked to improve transportation activities within the industry to help move products more efficiently. And to help us keep pace with an ever-expanding industry worldwide, we've funded product quality improvements, technology assistance, as well as research and development projects.

We've recently developed the Targeted Fisheries Assistance Program to provide boat-improvement grants to salmon fishermen so they have the equipment and systems to provide the highest quality product possible. The surge in popularity of farmed salmon was due largely to its consistent quality, which made it more appealing than Alaska wild salmon. Improving harvesting and the abilities of tender vessels to maintain product quality will help us earn higher prices and increase our profitability and success.

Alaska's seafood industry is changing for the better. Employment and earnings were up in 2004. Markets are beginning to demand our wild Alaska salmon over farmed salmon. The Alaska Fisheries Revitalization Strategy is part of this positive change. I'm pleased with the efforts of all involved to help protect and stimulate one of our most precious resources, and I look forward to ongoing successes in our seafood industry. Continued collective efforts between my administration and the seafood industry are delivering positive results.

Employment in the Alaska Fisheries

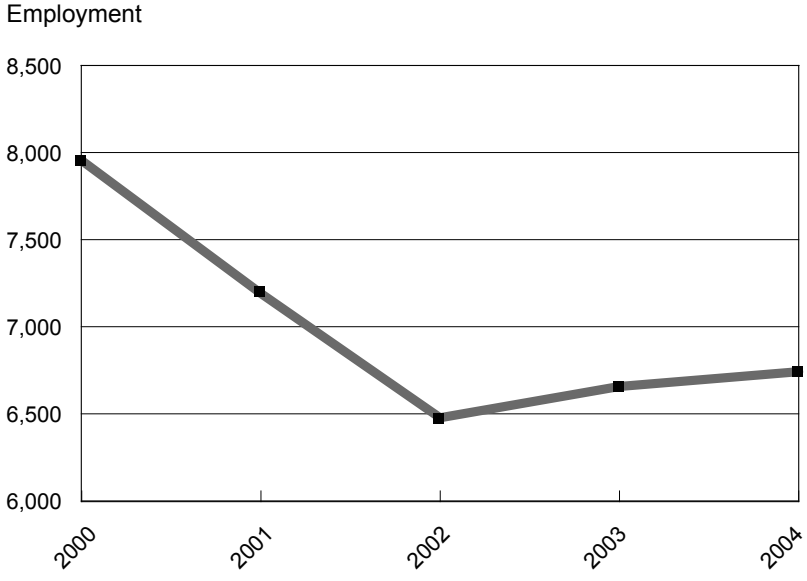
by Michael Patton
and Dan Robinson,
Economists

Positive signs in 2003 and 2004

Since the late 1980s, much of the news about Alaska's fisheries has been negative. Gross earnings fell 63 percent from 1988 to 2002[1] and the number of active permit holders fell 35 percent over the same period. The good news is that fisheries data from 2003 and 2004 – including the employment estimates that are the subject of this article – suggest that the tide may have changed.

Among the reasons for cautious optimism are a 19 percent increase in gross earnings from 2002 to 2004[2] and a 3 percent increase in active permit holders. Employment in the fisheries also recovered some of the lost ground, adding 265 jobs after losing nearly 1,500 over the previous two years. (See Exhibit 1.)

1 Fish Harvesting Employment
Alaska, 2000-2004



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

Employment data – the new kid on the block

Most of what we know about the state's fisheries comes from the Alaska Commercial Fisheries Entry Commission, which provides detailed fisheries data on, among other things, gross estimated earnings, pounds caught, permit holders and permit holders who fished. CFEC's data is generally available back to at least 1980.

The employment estimates discussed in this article are produced by the Alaska Department of Labor & Workforce Development and are a relatively recent addition to the library of fisheries-related information. The series only goes back to 2000 and this is just the second time it has been published in Alaska Economic Trends. Before looking further at the numbers themselves, though, it will be useful to clarify a few key terms and concepts and to specify what information the employment data provide that is not already available from other sources.

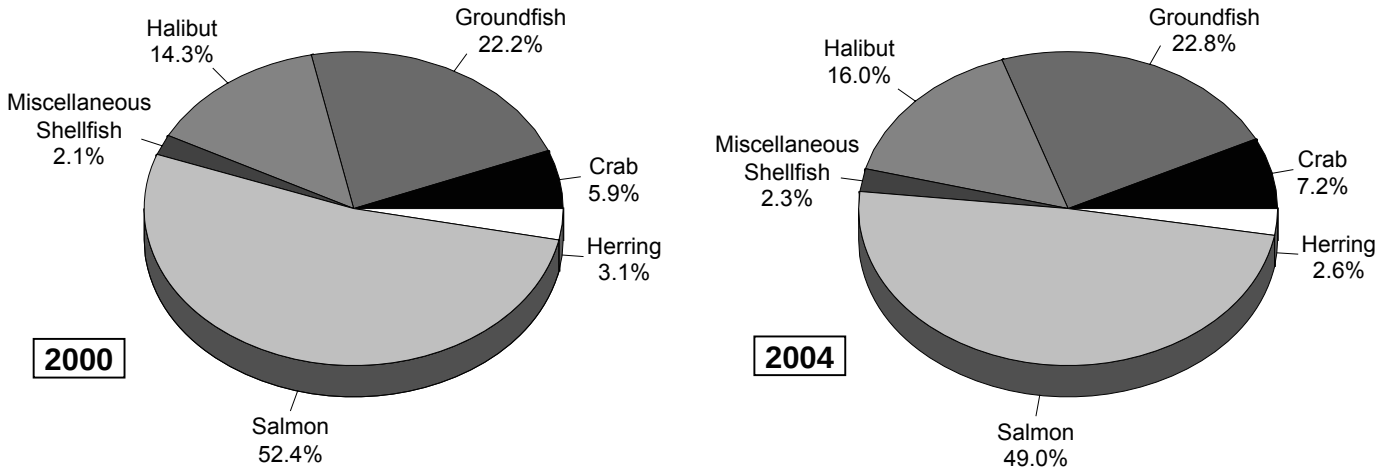
Comparisons with permit and crew license data

As noted above, CFEC provides statistics on the number of commercial fishing permits issued. These are comparable to statistics on the number of business licenses issued, in that both give their owners a right to participate in a certain regulated activity.

[1] Earnings are adjusted to constant 2004 dollars using the Anchorage Consumer Price Index.
[2] The year 2004 is the most recent year for which data are currently available.

Harvesting Employment by Species
Alaska, 2000 and 2004

2



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

As a subset of the total number of permit holders, CFEC also collects data on the number of permit holders who actually catch and sell fish with their permits. These are the statistics referred to in the first paragraph as "active permit holders" or in some CFEC publications as "fishermen who fished."

What neither the number of permit holders nor the number of active permit holders can tell us, however, is the number of jobs generated by the permits.[3] Some permit holders may fish during only one month a year, while others may fish during 10. Both will show up in CFEC data as one active permit holder during that year despite the obvious difference in the amount of employment generated by the two permits.

What's more, a count of permit holders leaves out another important piece of information: how many jobs, if any, are created for crew members hired to help with the harvest. In most cases, the permit holder doesn't work alone. In this sense, the permit holder is akin to the business owner whose license to operate creates a certain number of jobs for others.

Just as an active business license for a full-service restaurant that operates year-round generates more jobs than a business license for a seasonal hot dog stand, active permit holders also generate different numbers of jobs depending on how labor-intensive it is to participate in the given fishery and also on how many months of the year the permit holders are actively fishing their permits.

On the low end of the spectrum, a permit to harvest clams with a shovel doesn't generate a lot of jobs because the harvest can be done by just one person and it's only done for a few months of the year. By contrast, a permit to harvest king crab on a vessel over 60 feet long generates substantially more jobs because it takes an average of six people to operate the boat and gear. Permits for Alaska's less seasonal fisheries – groundfish and halibut, for example – also generate more jobs per permit than do permits in fisheries that only last for a few months each year.

The number of crew licenses issued each year is collected and published by the Alaska

[3] Employment data published in this article and elsewhere in *Trends* and U.S. Bureau of Labor Statistics' publications are annualized so that a job that lasts all 12 months of the year is counted as one job, a job that lasts six months is counted as 0.5, and so forth.

3 Statewide Salmon Prices
In nominal dollars, 2001-2004

	King	Sockeye	Coho	Pink	Chum
2000	$1.95	$0.79	$0.56	$0.15	$0.27
2001	$1.68	$0.57	$0.49	$0.13	$0.34
2002	$1.30	$0.60	$0.36	$0.10	$0.18
2003	$1.43	$0.63	$0.48	$0.09	$0.18
2004	$1.85	$0.60	$0.68	$0.10	$0.21

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

Department of Fish and Game. This too is different from a count of jobs in that the crew license data simply quantifies the number of people who are eligible to work in the fisheries as crew members in a given year.

To illustrate the difference, if 12 different crew members work for a month each in a year, the crew member count would be 12 but the annualized job count would be one. On the other hand, if one crew member works for all 12 months, both the crew member count and the annualized job count would be one. Under most circumstances, increases in crew licenses will correlate with increases in the total number of jobs, but it's possible for the two to diverge since they count different things.

Familiar turbulence for the fishing industry

As is often the case with resource-based industries, employment levels in Alaska's fish harvesting industry have seen significant variation over the years, and the 2000 to 2004 period discussed in this article is no exception. Changes to both supply and demand are common, and regulatory changes, such as the introduction of the limited entry permit system and individual fishing quotas, can also have a dramatic effect on employment levels.

Biologically, Alaska's fisheries are healthy; economically, they have struggled since the late 1980s. Salmon fishermen in particular have faced lower prices as a result of competition from farmed salmon and the consequent increase in world supply. In 1980 the world salmon supply was around 550,000 tons, 98 percent of which was wild salmon; by 2001 the world supply had grown four-fold to roughly 2.2 million tons and 62 percent of that amount came from fish farms.[4]

Higher prices raise employment levels in the salmon fishery

In terms of employment, the salmon fishery is the state's dominant contributor. (See Exhibit 2.) In 2004, 49 percent of all fish harvesting jobs came from salmon, down slightly from 52.4 percent in 2000. The 3,305 jobs generated by salmon fishing in 2004 were still more than double the amount from groundfish, the next largest category.

Statewide per-pound prices for king and coho salmon showed definite improvement in 2003 and 2004. King salmon prices rose from $1.30 a pound in 2002 to $1.85 in 2004 and coho prices increased from $.36 a pound to $.68 over the same period. (See Exhibit 3.) Sockeye and pink prices were essentially flat, however, and chum prices moved only slightly from $.18 a pound to $.21. In fact, prices for sockeye, pink and chum – the three species that account for over 93 percent of all salmon harvested, by volume – are still at or near historical lows. The impact of rising prices for king and coho was nevertheless sufficient to have a noticeable effect on total earnings. After falling from $412 million in 2000 to $144 million in 2002, a decline of 65 percent, earnings partially recovered over the next two years, rising to $254 million by 2004.

As one would expect, higher overall prices also increased employment in the salmon fisheries in 2003 and 2004. (See Exhibits 4 and 5.) Specifically, the strong increase in 2004 king salmon prices raised employment for February and March, the months when most winter kings are caught in Southeast Alaska. Employment

[4] Knapp, Gunnar. *Projections of Future Bristol Bay Salmon Prices*. University of Alaska: Institute of Social and Economic Research, 2004.

in February climbed from 134 in 2002 to 258 in 2004, and March employment rose from 204 to 327 over the two-year period.

Groundfish employment follows the same pattern as salmon

Salmon generates more jobs than any other fishery, but in terms of volume and value of the catch, the state's largest fishery is groundfish, where a fairly small number of large boats catch an enormous amount of fish, predominantly pollock, without requiring a lot of manpower.

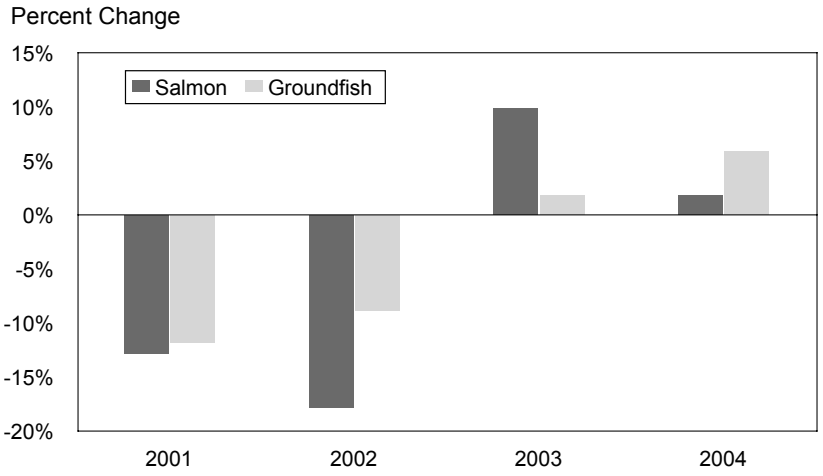
Groundfish harvesting employment declined almost 20 percent from 2000 to 2002 before reversing course and adding about 8 percent from 2002 to 2004. (See Exhibits 4 and 5.) The reasons for the decline and partial recovery are not as clear-cut as they were with salmon where price changes had such an obvious effect. Pollock prices from 2000 to 2004 were low by historical standards and relatively static.

Earnings in the sablefish fishery fell noticeably in 2001 before recovering strongly in 2003, which may account for part of the employment growth. Harvesters caught a significantly higher volume of sablefish in 2003 as well, indicating healthy stocks and an increased quota.

Halibut is down slightly, crab rose then fell

Alaska's halibut fishery is managed by the International Pacific Halibut Commission using individual fishing quotas, or IFQs, which grant a certain percentage of a regional fishery's total allowable catch each year to individual permit holders. Because of this system, and because halibut stocks have been relatively constant in recent years, the number of jobs has also been relatively constant. (See Exhibit 5.) Small declines in 2003 and 2004 may have been caused by a consolidation of quota shares. Individuals are allowed to own multiple IFQs as long as their total share doesn't exceed a specified percentage of the total halibut quota for the region.

Salmon and Groundfish Employment 4
Percent Change, 2001-2004



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

Employment in the crab fishery moved in opposite directions from salmon and groundfish, growing from 2000 to 2002 before dropping off in the next two years. (See Exhibit 5.) Responsible for about 7 percent of all harvesting jobs in 2004, the crab fishery's peak employment months are roughly the opposite of salmon. The Bering Sea opilio crab fishery reaches full strength in January and February, and the Bristol Bay red king crab fishery pushes employment way up in October. Most of the jobs in the in-between months are concentrated in Southeast's dungeness crab fishery.

Harvesting employment by region

Nearly all of Alaska's fish harvesting employment is accounted for by three broad regions: Southwest, Southeast and the Gulf Coast. In the Northern region, less than 100 jobs come from the salmon, crab and herring fisheries.

In recent years, the Southwest region has had the largest share of fish harvesting employment, nearly 44 percent in 2004. (See Exhibit 6.) It's also the region that suffered the steepest loss from 2000 to 2002, a 25 percent decline in employment. (See Exhibit 7.) Of the more than 900 jobs lost over those two years, 83 percent were in the salmon fishery. A moderately

5 Fish Harvesting Employment Estimates
2000-2004

All Regions and Species

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Mo. Avg.
2000	3,154	4,180	4,759	5,715	6,957	19,698	22,099	13,670	7,198	5,077	2,106	856	7,956
2001	2,639	4,172	4,160	4,025	5,849	17,132	20,350	12,760	7,068	5,256	2,229	712	7,192
2002	3,321	3,847	4,000	4,191	5,626	14,867	17,056	10,980	6,101	4,906	2,343	520	6,477
2003	*	*	*	*	*	*	*	*	*	*	*	*	6,657
2004	*	*	*	*	*	*	*	*	*	*	*	*	6,742

Total Crab Fishery

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Mo. Avg.
2000	70	510	183	1,434	129	439	368	337	170	1,660	285	69	471
2001	593	1,626	237	141	117	462	505	490	156	1,591	454	126	541
2002	1,360	1,499	255	162	66	527	529	573	185	1,772	514	77	626
2003	1,230	924	205	78	27	451	468	435	168	1,734	497	91	526
2004	1,314	707	228	36	18	466	451	460	103	1,716	275	76	487

Total Groundfish Fishery

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Mo. Avg.
2000	2,915	3,447	3,097	2,470	1,495	1,063	1,088	1,511	1,774	1,289	601	459	1,767
2001	1,907	2,354	2,394	1,966	1,345	1,159	1,378	1,544	2,232	1,393	598	387	1,555
2002	1,735	2,113	2,491	1,591	1,105	958	1,357	1,556	2,006	1,120	733	224	1,416
2003	1,889	2,258	2,226	1,835	1,379	1,053	1,410	1,710	1,909	1,014	569	55	1,442
2004	1,939	2,350	2,186	1,950	1,472	1,229	1,443	1,753	1,959	1,435	652	52	1,535

Total Halibut Fishery

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Mo. Avg.
2000	0	0	1,017	1,393	2,189	1,939	1,563	1,930	1,793	1,122	661	0	1,134
2001	0	0	1,074	1,322	1,956	2,121	1,616	2,022	1,717	1,172	671	0	1,135
2002	0	3	744	1,488	2,039	2,367	1,833	2,030	1,574	970	572	0	1,132
2003	0	0	1,010	1,483	1,697	2,160	1,604	1,969	1,488	1,110	609	0	1,092
2004	*	*	*	*	*	*	*	*	*	*	*	*	1,081

Total Herring Fishery

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Mo. Avg.
2000	0	0	238	92	2,016	513	88	0	0	0	0	33	248
2001	17	0	245	288	1,269	425	67	0	0	0	5	11	194
2002	6	6	270	681	1,210	65	97	0	0	8	0	17	196
2003	6	5	264	1,087	962	0	64	0	5	0	5	11	201
2004	0	0	248	797	1,028	0	46	0	5	5	0	6	178

Total Miscellaneous Shellfish Fishery

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Mo. Avg.
2000	106	103	35	43	129	96	98	92	48	700	388	171	167
2001	53	73	31	44	129	101	66	69	33	738	346	112	150
2002	125	93	36	32	122	91	95	77	45	655	443	140	163
2003	*	*	*	*	*	*	*	*	*	*	*	*	160
2004	*	*	*	*	*	*	*	*	*	*	*	*	156

Total Salmon Fishery

Year	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Mo. Avg.
2000	64	121	189	283	999	15,649	18,894	9,801	3,413	307	171	125	4,168
2001	70	119	180	265	1,034	12,865	16,717	8,635	2,931	362	155	76	3,617
2002	95	134	204	238	1,085	10,860	13,145	6,744	2,291	383	82	62	2,943
2003	121	247	251	270	1,179	12,361	14,568	6,369	2,685	469	172	159	3,237
2004	118	258	327	384	1,132	11,962	14,515	6,959	3,277	391	171	173	3,305

* There were insufficient data to make reliable monthly estimates for the halibut fishery in 2004 and for the miscellaneous shellfish fishery in 2003 and 2004. Monthly averages for those fisheries and years represent estimates based on annual data available from other sources.

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

strong recovery in salmon jobs in 2003 pushed Southwest employment 8 percent higher. Employment in 2004 then fell off slightly due to small declines in several fisheries.

The employment picture in Southeast was significantly more stable over that same period. The total job count fell by about 9 percent from 2000 to 2003 before recovering by 2.4 percent in 2004. As with the Southwest region, most of the changes were the result of a decline and partial recovery in the salmon fishery, which was responsible for more than 44 percent of all Southeast harvesting employment in 2004.

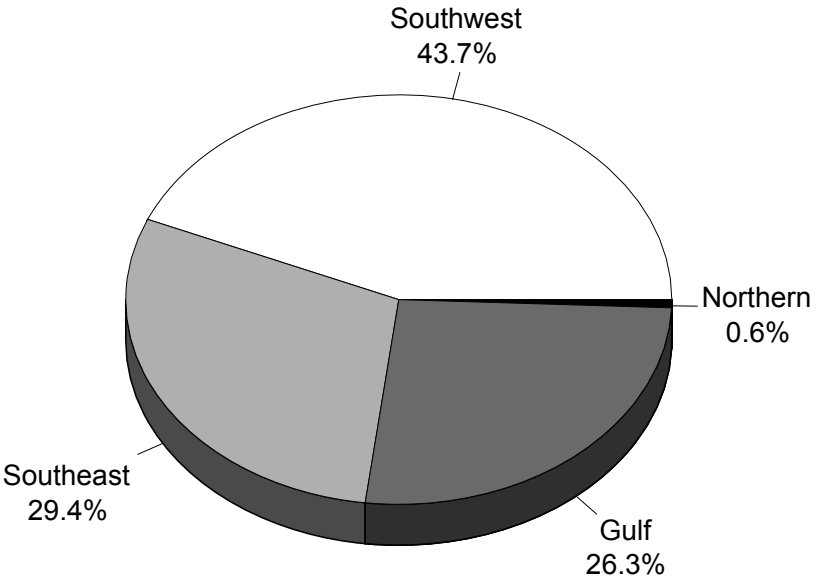
Employment in the Gulf Coast region followed the same basic pattern as the Southwest region – a steep decline from 2000 to 2002, followed by a moderate recovery from 2002 to 2004. Again, the principal cause of the movement was the salmon fishery, which provided just over 50 percent of all Gulf Coast harvesting jobs in 2004.

As noted, salmon jobs dominate in all three regions, accounting for about 50 percent of the employment. (See Exhibit 8.) In the Southwest and Gulf Coast regions, groundfish was the next most important category in terms of jobs provided, while in Southeast, halibut had the second-highest job count in 2004, followed by groundfish. The crab fishery also provided a significant number of jobs in 2004 in the Southwest and Southeast regions – 264 and 161, respectively. In the Gulf Coast region, crab harvesting employment hovered around 50 from 2001 to 2004. Herring and shellfish provided a smattering of employment across the Southwest and Gulf Coast regions, while they combined to a more significant sum in Southeast (239 in 2004).

Fishing's role in the state and local economies

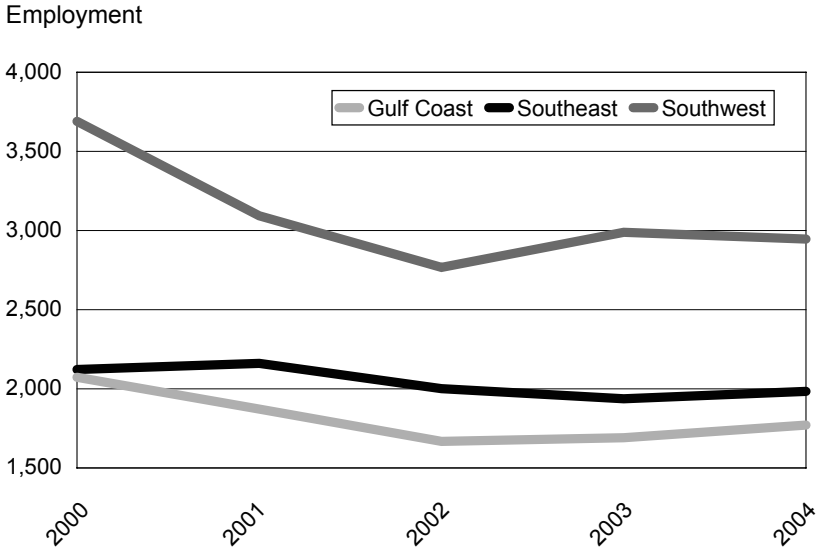
After falling a precipitous 18.6 percent from 2000 to 2002, total fisheries employment bounced back to grow 4.1 percent from 2002 to 2004. Over the latter period, fishing jobs grew at a faster rate than some

Percent of Employment by Region 6
Alaska fisheries, 2004



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

Harvesting Employment by Region 7
Alaska fisheries, 2000-2004

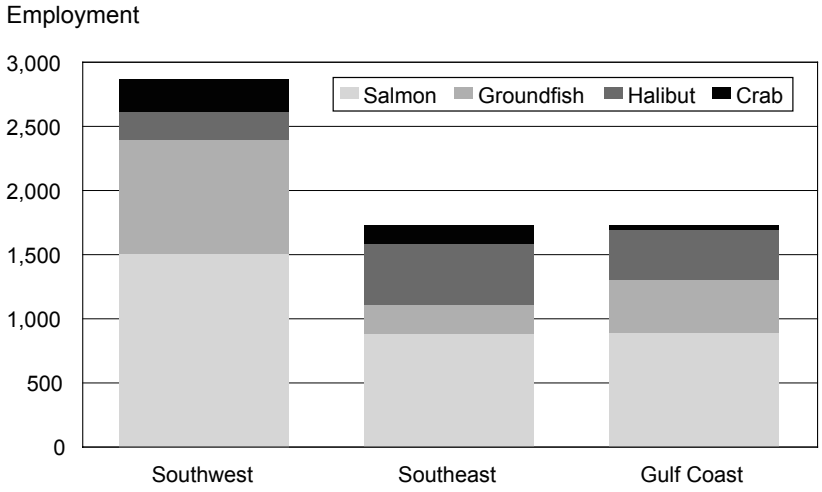


Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section

of the state's major industries and outpaced total employment growth. (See Exhibit 9.)

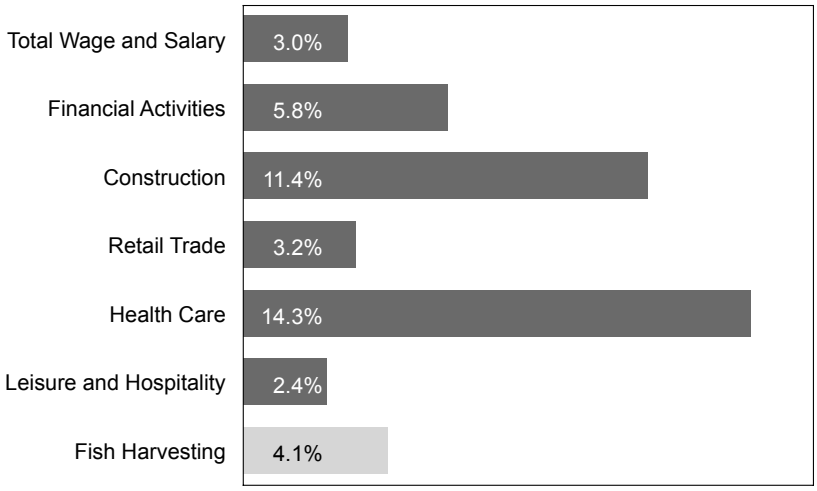
In 2004, the state's 6,742 fish harvesting jobs made up 2.9 percent of all private-sector jobs.[5] (See Exhibit 10.) When the fishing industry is defined to include both harvesting and seafood processing, it accounts for 6.6 percent. That number is up slightly from 2002 when the fishing industry represented about 6.3 percent of the private sector. For comparison, the oil and gas industry in 2004 provided 3.6 percent of private-sector jobs and the construction industry 7.7 percent.

8 Harvesting Employment by Species
Alaska fisheries, 2004



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

9 Employment Growth Statewide
Selected industries, 2002-2004



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

In the Southeast, Gulf Coast and Southwest regions of the state – the three regions with nearly all of the state's fish harvesting employment – the fishing industry's contributions are significantly greater. (See Exhibit 11.) Fish harvesting and processing combine to make up 14 percent of Southeast Alaska's private-sector economy. In the Gulf Coast region, about 18 percent of private-sector jobs are either in fish harvesting or processing. In Southwest Alaska, the fishing industry accounts for just over half of all private-sector employment.

These numbers, as high as they are, understate the importance of fishing to the three regions. The millions of dollars in harvest value paid to commercial fishermen support a substantial portion of the remaining private sector in these regions, especially in Southwest Alaska. Other than a small amount of mining employment, fishing is the Southwest region's only basic sector employer. The remaining private employment consists of industries such as retail trade, construction and health care that provide goods and services to the local population. It's no exaggeration to say that many Southwest Alaska communities – and others scattered throughout Southeast Alaska and the Gulf Coast region – would virtually disappear without fishing.

Salmon runs create most of the seasonality

Commercial fishing, like many industries in Alaska, is highly seasonal when the total job count is considered. (See Exhibit 12.) A closer look, however, reveals that most of the seasonality comes from the salmon

[5] "Private-sector jobs" is defined here to mean all private wage and salary jobs combined with the fish harvesting employment discussed here. Self-employment, employment in industries not covered by state unemployment insurance laws and all other agricultural employment is excluded.

fishery, and that both the groundfish and halibut fisheries provide a relatively constant stream of jobs over much of the year.

What's more, high January and February employment in the crab fishery fills in during two of the three months when there is very little halibut fishing activity. Overall, Alaska's fisheries provide a considerable number of jobs in every month but December.

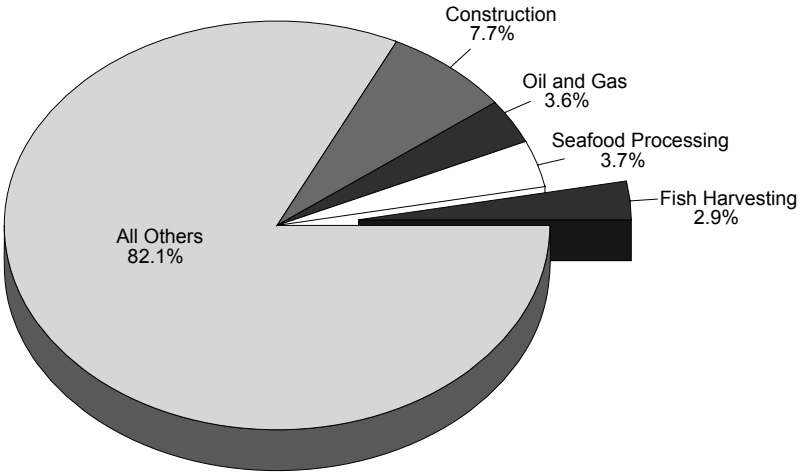
The Southwest region's massive summer salmon runs amplify its seasonal pattern of employment, while in the Southeast and Gulf Coast regions, the distribution is a little more even. (See Exhibit 13.) Southwest Alaska regularly goes from having no salmon harvesting employment at all in the first five months of the year to as many as 10,000 jobs during the peak months of the summer.

Conclusion

The fish harvesting employment estimates discussed in this article are a relatively new addition intended to fill a gap in the employment data provided in *Trends* and elsewhere by state and federal agencies. Because the methodology is still under review, the numbers should be considered preliminary, although significant changes are unlikely.

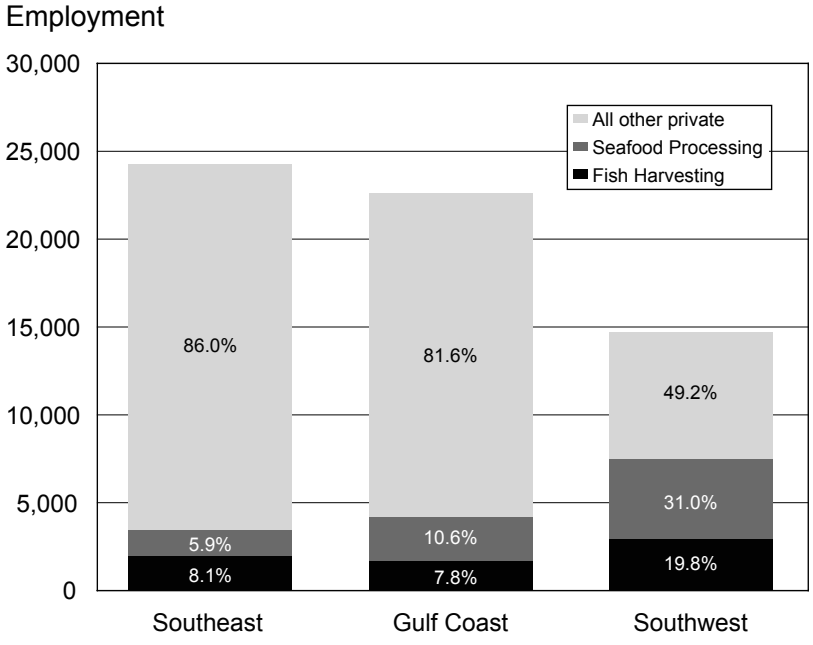
Alaska is a state rich in natural resources and one of the most important is fish. Almost 4 billion pounds were harvested in 2004, generating close to $1 billion in gross earnings, more than 6,700 direct jobs and the core economy for much of coastal Alaska. After more than a decade of declines, there were distinct signs of improvement in the salmon fishery in 2003 and 2004, although few would deny that there is a lot of ground to recover or that significant economic challenges remain. Led by salmon and groundfish, total employment grew by 265 jobs from 2002 to 2004, a welcome change in direction after a total decline of nearly 1,500 jobs over the two previous years.

Private-Sector Employment
Alaska, 2004
10



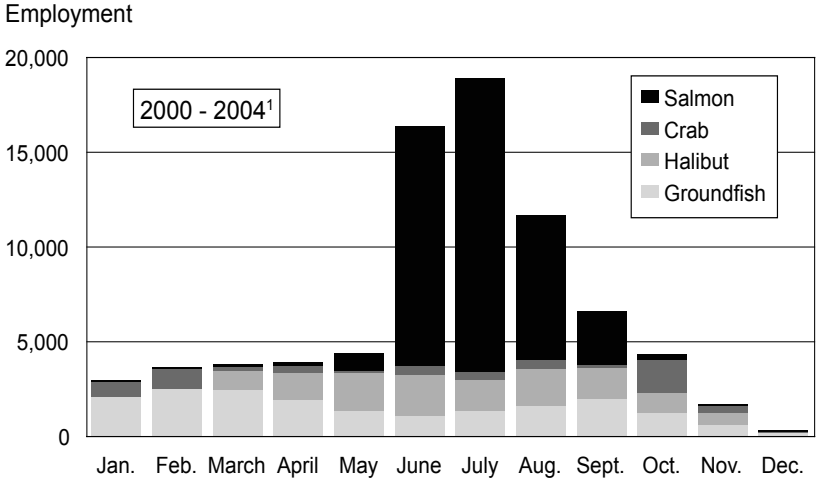
Source: Alaska Department of Labor & Workforce Development, Research and Analysis Section

Private-Sector Employment
By industry and region, Alaska 2004
11



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

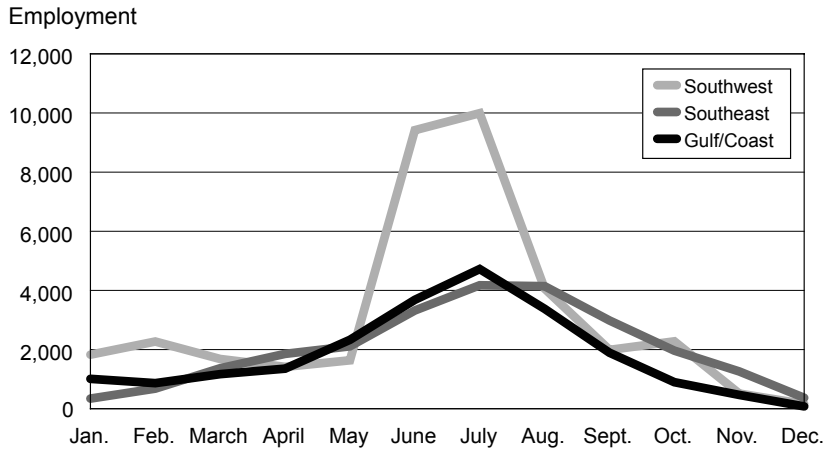
12 Only Salmon is Highly Seasonal
Average monthly employment by species



[1] These are averages for each month for the years 2000 to 2004. Halibut averages are for 2000 to 2003; no monthly data are currently available for 2004.

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

13 Southwest is the Most Seasonal
Average monthly employment, 2000-2004[1]



[1] Where no monthly data were available, estimates were used from the patterns from the previous years and annual totals.

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

Developing a Methodology

by Michael Patton and Dan Robinson, Economists

In other industries, the Alaska Department of Labor & Workforce Development can accurately count jobs because nearly every employer is required to report the number of wage and salary employees on their payroll each month as part of their mandatory unemployment insurance coverage. But fish harvesting jobs are generally excluded from unemployment insurance coverage and the taxes that pay for it. Even if they weren't, crew members on fishing boats are nearly always paid a share of the earnings rather than a wage or salary. As a result, fishing jobs don't generate the payroll records used to calculate monthly employment in other industries.[1]

Landings and crew factors

As a substitute for detailed payroll records, state and federal fish management agencies provide the Department of Labor with information on the specific "landings" made under each permit over the course of the year. A landing is the initial sale of harvested fish to a buyer.[2] To then create employment estimates from landing records, the Department of Labor uses an on-going survey of permit holders to develop "crew factors" which quantify the labor needed to fish specific permits in their associated region, species and gear type.

For example, survey responses indicate that it takes an average of six crew members to fish for king

[1] Another reason why no employment data have been available for the fisheries is that the U.S. Bureau of Labor Statistics, which governs how employment is counted in the federal-state cooperative program called Current Employment Statistics, defines fishing as an agricultural activity and agricultural employment has traditionally been excluded from employment statistics under this program.

[2] The majority of landing data come from mandatory fish ticket reporting. Data for groundfish catcher processors – who are not required to file fish tickets – are provided by the National Marine Fisheries Service as compiled by the Alaska Fisheries Information Network, a network of five federal and state agencies.

crab with pot gear on a vessel over 60 feet long in Bristol Bay – a permit with the designation K91T. If a landing is recorded in January under a K91T permit, the Department applies the crew factor of six for that permit. In other words, six monthly jobs were created. Every permit number is unique – the K91T used in this example is a type of permit or a permit for a specific fishery rather than the permit number itself – which allows the Department to assign only one set of jobs to a specific permit in any one month even if numerous landings are made during the month. The same concept applies to counts of payroll employment in that a person who works 60 hours a week for a single employer is counted the same as a person who works 20 hours a week.[3] Each is said to hold one job.

A final point is that the jobs are assigned by place of work rather than by the residence of the employees. Most permits have a geographic designation as to where specific species can be harvested and with what type of gear. In the above example using a K91T permit, the K stands for king crab, the 91 stands for pot gear on a 60-plus-foot vessel and the T stands for Bristol Bay. All landings made under that type of permit create employment assigned to Bristol Bay and aggregated to the Southwest region. Employment generated under permits that allow fishing anywhere in the state is assigned by a special harvest area code.

The estimates are conservative

For a few reasons, the estimates may slightly undercount employment generated by Alaska's fisheries. First, the estimates don't reflect the amount of time spent by permit holders and their crew preparing to fish or winding up operations after the fishing is done for the year. Until a permit holder makes a landing, no employment is tallied, so if the permit holder works for two weeks in May getting the boat ready to fish and then begins making landings in June, the efforts in May are not counted, despite their obvious importance to the enterprise. The Department of Labor has begun surveying permit holders to determine how much preparation time is required in each fishery and will include those efforts in future estimates.

Another way the estimates are conservative is in their selection of the permit holder as the employer. When a permit holder makes landings under two different permits in the same month, only the permit with the highest value catch is assigned employment in that month. In other words, if Ishmael Jones lands fish under both a salmon permit and a sablefish permit in June, and he was paid more for the salmon, he will be credited with generating jobs only under the salmon permit.[4] The assumption under this approach is that crew members who work for the same permit holder and fish for both salmon and sablefish in the same month are analogous to employees who perform different duties for one employer during a month.[5]

[3] Whenever possible, the Department of Labor adhered to the same concepts it uses to calculate payroll employment in other industries in cooperation with the U.S. Bureau of Labor Statistics. Doing so allows for the most meaningful comparisons between the two.
[4] An alternative approach would have been to view the permit itself as the employer, irrespective of ownership, and assign employment to the permit in every month for which it is used to make landings. This approach would be more analogous to a person working during one pay period for two different companies owned by the same person.
[5] Some permit holders may hire different crew members to fish their different permits. Since crew members are not specifically identified in the fish tickets that record landing data, turnover of this type can't be captured.

The American Community Survey

by Kathryn Lizik
Research Analyst

A new approach to Census data

Monumental changes are taking place with how the U.S. Census Bureau collects demographic, social, economic and housing information about the people in the U.S. The method used for well over a century, the decennial census[1] long form, is being replaced by the American Community Survey, or ACS.

This new national survey will replace the sample portion of the upcoming 2010 census, as well as all future censuses, by collecting comparable statistics on a monthly basis. The increased collection frequency means state and local data, including Alaska's, will be released every year instead of every 10 years.

An overview

The traditional decennial census has consisted of two types of questionnaires: a "short form" and a "long form." All households in 2000 received the short form, which counts the population and gathers basic characteristics, such as age, sex and race. It asked seven questions in the 2000 Census. In 2010, the census short form will continue to go to all U.S. households to count the population.

The census long form finds out what a community looks like. It is more detailed and asks numerous questions about such items as income, education, rent and mortgages, commute times to work and who speaks what languages at home. In the 2000 Census, the long form went to about 1-in-6 households in the U.S., or an overall average of 17 percent of the households.

The ACS – as it is planned now, given continued Congressional approval and funding in the years to come – will replace the decennial census long form. Its objective is the same as the long form's – to describe the population rather than count it. It will ask the same types of questions, but every month instead of every 10 years. It will be sent to some 250,000 addresses in the U.S. each month, or about 2.5 percent of the nation's population.

History

Congress charged the Census Bureau in the early 1990s with three directives to reengineer the census: to decrease the number of people missed or counted twice (called the "net undercount"); to hold down or reduce operational costs; and to collect and release socio-economic data more often than every 10 years while maintaining consistent measurements across areas with large and small populations.

The ACS was developed in response to the third directive. It will release data every year instead of every 10 years.

The ACS was tested and reviewed from 1996 to 2004. Census Bureau statisticians studied 31 comparison sites to pinpoint the differences between the ACS and the 2000 Census long

[1] The decennial census is a count of the U.S. population conducted every 10 years by the Census Bureau in years ending in 00.

form. They conducted three supplementary surveys between 2000 and 2002 to study the feasibility of collecting long-form data using a methodology different from what was used for the regular census. They wanted to demonstrate the reliability and stability of state and large-area estimates over time, as well as the usability of multiyear estimates.

The Census Bureau launched the ACS questionnaire on a national level in January 2005.

The sample

The ACS survey is collected in every U.S. county – census areas and boroughs in Alaska – from 12 independent monthly samples of randomly selected addresses. This equates to about 3 million of the nation's households being contacted each year, about one-seventh of the long form sample size. Over the course of the decade, one out of 480 households in the U.S. will be sent the ACS survey each month. No address should receive the ACS questionnaire more than once in a five-year period.

The ACS survey will expand in the 2006 collection year to include 2.5 percent of the "group quarters population." Group quarters include nursing homes, prisons, college dormitories, military barracks, juvenile institutions and emergency and transitional homeless shelters.

Since the ACS was developed to replace the census long form – which provides data for federally mandated programs – data quality is essential. It is also critical that data users understand the similarities and differences between the data collection methods for the ACS and the decennial census long form. Data users will need to become familiar with census products based on moving averages, different reporting periods and different size samples of the ACS.

Current and Future Tabulations 1
American Community Survey

Tabulations Available Now
U.S.
States
Counties
County Subdivisions
Places (Incorporated Places and Census Designated Places)
Metropolitan Statistical Areas
Congressional Districts
Rural Areas
Anticipated Tabulations
Tracts
Voting Districts
American Indian Reservations
School Districts
State Legislative Districts
Zip Code Areas
Urbanized Areas

Source: U.S. Census Bureau, American Community Survey

For all surveys, both sampling and nonsampling errors can affect accuracy. Sampling error occurs when a proportion or sample of the population does not accurately reflect the general population. Nonsampling error includes all other errors including nonresponses, coverage measurements and processing errors.

The sample size of the decennial long form in 2000 was selected to produce reliable estimates for areas with small populations. While overall the sample equaled about 17 percent of U.S. households, there were situations where the sample size was increased to improve the reliability of the results. In Alaska, the Census Bureau agreed to increase the sampling rate to 50 percent for many small places and Alaska Native Village Statistical Areas, or ANVSAs.[2] The increase was also done in part because for rural areas, the census was conducted in person by census takers and not by mail. Since most of the cost of collecting census information in rural areas is travel, the

[2] The Census Bureau defines "places" as cities or Census-Designated Places, which are unincorporated communities. Places are contained within boroughs and census areas. ANVSAs are Census Bureau designations for Native villages.

difference between collecting a 17 percent sample and a 50 percent sample is minimal.

For the ACS, the Census Bureau has indicated it plans to continue a higher level of sampling for Alaska's areas with low populations. This means that places and ANVSAs that had less than 200 people in the 2000 Census – about 173 communities – will be sampled at a 50 percent rate, the same as in the 2000 Census. Another 131 places and ANVSAs with populations between 200 and 799 will be sampled at a 37.5 percent rate (versus a 50 percent rate in the 2000 Census). Those with populations between 800 and 1,200 will be sampled at an 18.5 percent rate (versus a 25 percent in the 2000 Census).

While small places and ANVSAs will be sampled at a higher rate, the smaller overall sample size of the ACS means its estimates will be subject to higher sampling error levels. This will result in less precise data than those based on the census long form at every level of geography.

The somewhat smaller sample requires that a greater emphasis is placed on securing the best initial response to each questionnaire each month.

The ACS surveys are mailed out each month with postage-paid return envelopes.[3] Census Bureau staff send reminder cards to those who fail to respond, then follow up with phone calls and personal interviews if the recipients still do not respond. The interviewing is done by well-trained and experienced census professionals – in contrast to the temporary work force typically hired for the decennial census. This approach yields better data quality, thereby reducing nonsampling error due to their ability to obtain more complete responses during the follow-up stages.

Responding to the ACS, as with the decennial census, is mandatory. Title 13 of the U.S. Code requires participation but also protects individual responses. Census Bureau employees are sworn to protect the confidentiality of the information they collect; violators face fines and prison sentences.

Comparing the ACS to the decennial census

As stated earlier, the ACS does not produce independent population counts, it provides the characteristics of the population. Each year, the Census Bureau will adjust the ACS to its yearly population estimates developed through its Federal State Cooperative Program for Population Estimates. In other words, each annual release of ACS data will describe the population that the federal-state cooperative program has estimated for that year. Accordingly, the Census Bureau will adjust the ACS to the census count during decennial census years.

As an example, the 2010 Census short form will provide complete counts of race and Hispanic-origin groups. The ACS, on the other hand, will provide updated information about patterns of change in the size and geographic location of race, ethnic and ancestry groups during the decade.

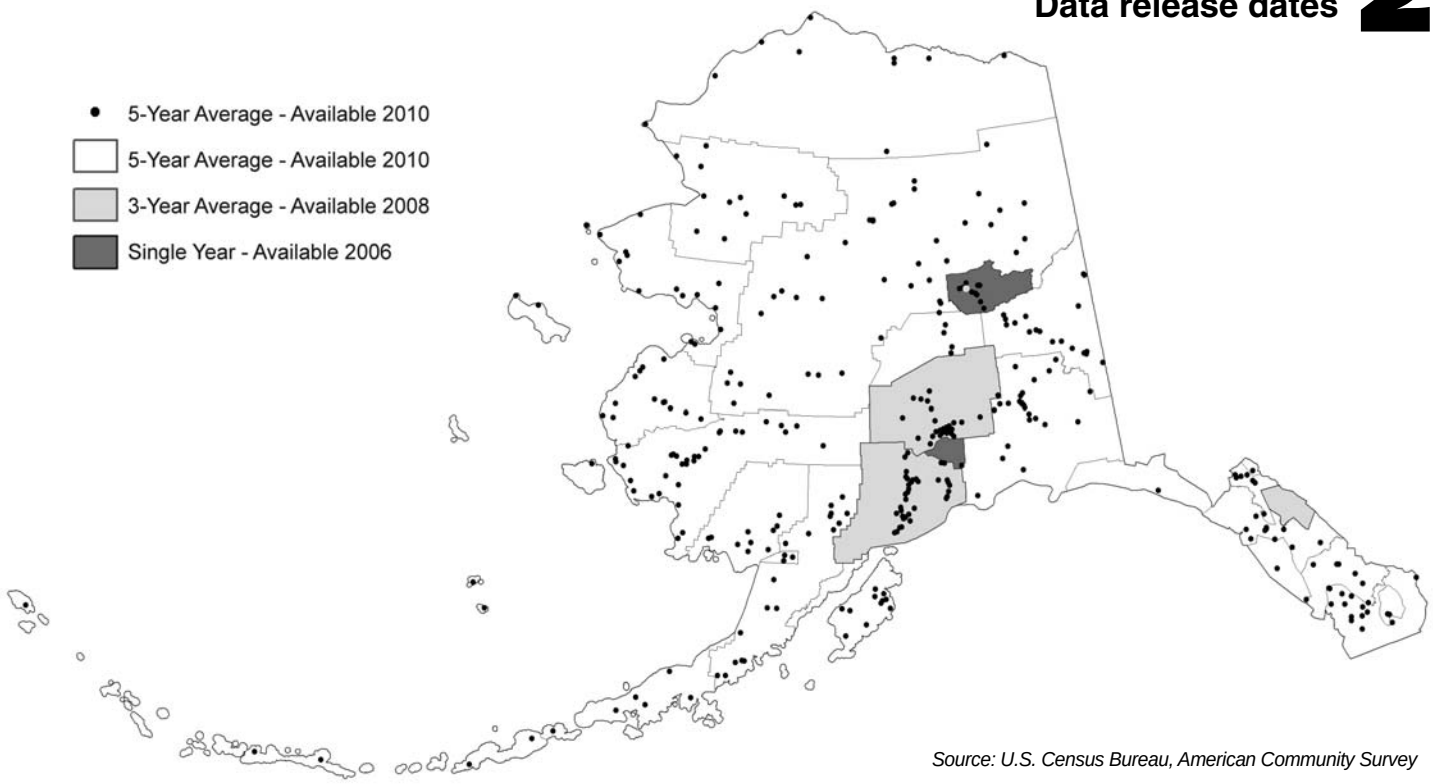
Another important point for data users to be aware of is that the ACS will not produce information exactly comparable to that from traditional decennial censuses even though the ACS and the long form use similar questions, similar data collection methods and similar reports.

Some ACS variables will be collected differently or may be defined differently. For instance, the ACS defines residency as a person's "current residence" in contrast to the census long form's "usual residence" rule. "Current residence" is defined as the location of a person's household if he or she has been living there for at least two months before he or she received the survey. "Usual residence" is where a person lived and slept most of the time during the preceding year.

The difference in residency definitions affect who is included in the population being

[3] For Alaska's rural communities, Census Bureau staff will conduct the surveys in person.

American Community Survey 2
Data release dates



Source: U.S. Census Bureau, American Community Survey

described. For instance, a large number of people in some areas may spend several months a year away from their primary residences, such as when retired people in the Midwest spend their winters in Arizona. In that case, they would be considered Arizona residents for some winter ACS surveys, but they would have been considered Minnesota residents for the population estimate or decennial census count.

This difference in the residency definitions means that the ACS and the decennial long form would not necessarily report the same vacancy rate or homeownership rate for the same area. Other variables, such as median income, may also be affected.

Another difference between the ACS and decennial census relates to the time period the questionnaires reference. ACS recipients are asked to answer the survey questions based on the day they fill out the survey or the 12 months prior to that day. Since each month a new survey is collecting information, the "12 month prior" period will be shifting forward by one month for each survey cycle. The census long form, in contrast, asks recipients to answer questions as of April 1 of the census year, or the preceding calendar year.

ACS data

There will be different types of data available depending on the population size of the reporting area. The continuous nature of the ACS means it is designed to measure the characteristics of the detailed social, economic and housing data as an annual or multiyear average instead of at a fixed point in time.

The most recent ACS data available now is for 2004 when the ACS survey was still limited to areas with populations of 250,000 or more.[4] That includes roughly 800 U.S. geographical areas, including 244 counties, 203 congressional districts, most large cities, all 50 states and the

[4] Data are limited to the household population and exclude the population living in institutions, college dormitories and other group quarters.

District of Columbia. For Alaska, the Anchorage Municipality is the only area that falls into this category, other than the state as a whole. Many data tabulations, or groupings, are available now; others are anticipated. (See Exhibit 1.)

Beginning in the summer of 2006, the Census Bureau will release ACS data each year for any defined area with a population of 65,000 or more.[5] The 2006 release will be based on the 2005 ACS. In Alaska, the data will be available for the state as a whole, the Municipality of Anchorage and the Fairbanks North Star Borough. (See Exhibit 2.)

In areas with populations of less than 65,000, however, it will take three or five years to accumulate a large enough sample to produce data similar to that of the decennial census. Once the data are collected, the Census Bureau will release annual tables based on rolling three-year averages[6] for areas with populations between 20,000 and 65,000, and rolling five-year averages for areas with populations less than 20,000.

The first ACS data for areas with populations between 20,000 and 65,000 will be released in 2008; the data will cover the 2005-2007 collection period. In Alaska, the data will cover the Matanuska-Susitna and Kenai Peninsula Boroughs, City of Fairbanks, and the City and Borough of Juneau.

The first ACS data for areas with populations below 20,000 will be released in 2010 and the data will cover the 2005-2009 collection period. For Alaska, the data will cover all remaining cities, boroughs, census areas, CDPs and ANVSAs.

Eventually, after 2010, it will be possible to measure changes over time for areas with low populations. Comparing ACS trends to past established, historical decennial census data, however, will be difficult because the census data provide a snapshot as of April 1 of the decennial year and the ACS data provide more of a "moving picture."

Detailed summary tabulations form the basis for ACS data products. There are four broad types of data available: general demographic, plus various social, economic and housing characteristics. (See Exhibit 3.) These tabulations will be available for single-year releases later this year, and will eventually be available for multiyear statistics in 2008 and 2010.

The tabulations will be available for multiple racial categories, plus whether the category falls under the overall grouping of (a) Hispanic or Latino origin or (b) not Hispanic or Latino origin. The racial categories include white alone, black or African American alone, American Indian and Alaska Native alone, Asian alone, Native Hawaiian and other Pacific Islander alone, "some other race"[7] alone, two or more races alone, and race alone or in combination with one or more other races.

What the ACS will mean for Alaska's areas with small populations

Much of the literature currently promoting the ACS uses terms such as community, place and small area to convey a message that the tabulations will serve the same range of geography as past decennial censuses. While the five-year rolling average was developed to address the need to collect and tabulate data for areas with small populations (under 20,000), the majority of tabulation areas and places in Alaska fall far below the 20,000 population range.

Of Alaska's 27 census areas and boroughs,[8] 22, or 81 percent, have populations less than 20,000; 18, or 67 percent, have populations less than 10,000; and eight, or 30 percent, have populations less than 5,000. Of the state's 148 cities, 98 percent have populations less than

[5] Based on the area's population totals from the 2000 Census
[6] For a rolling three-year average, the oldest year of the three years will be dropped and the newest collection year will be added. For a rolling five-year average, the oldest year of the five years will be dropped and the newest collection year will be added.
[7] "Some other race" refers to self-identification with a race other than the five main "race alone" categories.
[8] The 27 includes the City and Borough of Juneau, City and Borough of Sitka, City and Borough of Yakutat and the Municipality of Anchorage.

20,000. Of those, 123 have less than 1,000 people and 38 have less than 200 people. As far as Alaska's unincorporated places, 97 percent have fewer than 1,000 people.

Outside of some very limited test data collected in other states during the ACS development phase, no three- or five-year collections of data have taken place in Alaska to evaluate the potential robustness of the state's small-area data. The question of whether the characteristic data for populations this small will meet the accuracy standards necessary for release has yet to be answered. And since the first set of five-year averages will not be available until 2010, it is not clear if the full range of place and other small-area data Alaska has historically relied on for social and economic characteristics from past censuses will continue to be available through the ACS.

While there is no question that geographic areas with populations greater than 65,000 will benefit from the release of characteristic data on an annual basis, we will need to wait four years to make the same statement about Alaska's areas with limited populations.

American Community Survey 3
Population and housing profiles

General Demographic Characteristics
Sex and age
Race
Hispanic origin and race
Relationship
Households by type
Selected Social Characteristics
School enrollment
Educational attainment
Marital status
Fertility
Grandparents
Veteran status
Disability status of the civilian noninstitutionalized population
Residence one year ago
Place of birth
U.S. citizenship status
Year of U.S. entry
World region of birth of foreign born
Language spoken at home
Ancestry (total reported)
Selected Economic Characteristics
Employment status
Commuting to work
Occupation
Industry
Class of worker
Income and benefits (in 2004 inflation-adjusted dollars)
Percentage of families and people whose income in the past 12 months is below the poverty level
Selected Housing Characteristics
Housing occupancy
Units in structure
Year structure built
Rooms
Bedrooms
Housing tenure
Year householder moved into unit
Vehicles available
House heating fuel
Occupants per room
Value
Mortgage status and selected monthly owner costs
Selected monthly owner costs as a percentage of household income
Gross rent
Gross rent as a percentage of household income

Source: U.S. Census Bureau, American Community Survey

Profile: Alaska's Traveling Seafood Workforce

By Susan Erben
Trends Editor

"It amazes me to think how it all works…"

Nelson San Juan says the real clincher is when people come into the office with pictures of the houses they just bought with the money they made – heading, gutting, boxing and freezing salmon, herring, black cod or pollock in one of Alaska's remote seafood processing plants. They almost always stop by to thank him.

"For me, it's a big accomplishment, to see these people make good money and be able to save it," says San Juan, a seafood employment specialist at the Anchorage Midtown Job Center. "I love to see those things happen."

Photo by Lisa Good

San Juan isn't trying to promote the years-old myth that people make a killing working in Alaska's fish plants. It's just that the money can be good, considering the overtime, which is common, and the fact that many plants and all at-sea processors pay room and board (some furnish it, but charge workers a fee). People who work hard for multiple fisheries and are good at saving their money can wind up doing pretty well, he says.

San Juan is part of the Alaska Department of Labor & Workforce Development's "Traveling Seafood Workforce," a program that was started in 1999. That year it arranged for the shuttle of 15 salmon processing workers from Naknek, where the salmon fishery had just ended, to Petersburg, where the plant there was desperate for experienced workers.

Last summer, San Juan, his co-worker Lisa Good, and another colleague in Kodiak, Maureen Butler, helped arrange for 330 workers to go from working primarily in Naknek – but also Togiak and Ugashik in the Aleutians – to other fish processing jobs at plants in Dutch Harbor, Kodiak, Chignik and King Cove in the Aleutians, Seward, Whittier, Valdez, Cordova, Yakutat, Excursion Inlet near Gustavus, Petersburg and Ketchikan, as well as to jobs on floating processors in the Bering Sea.

The three – San Juan, Good and Butler – talk to the seafood plant managers almost daily throughout the season to pin down who needs workers when and which workers finished the season (which is critical for the three to refer them to other plants). Then the three talk to the seafood workers to see if they're interested in flying to another company's processing plant

Photo by Tracie Paladijczuk

Photo by Tracie Paladijczuk

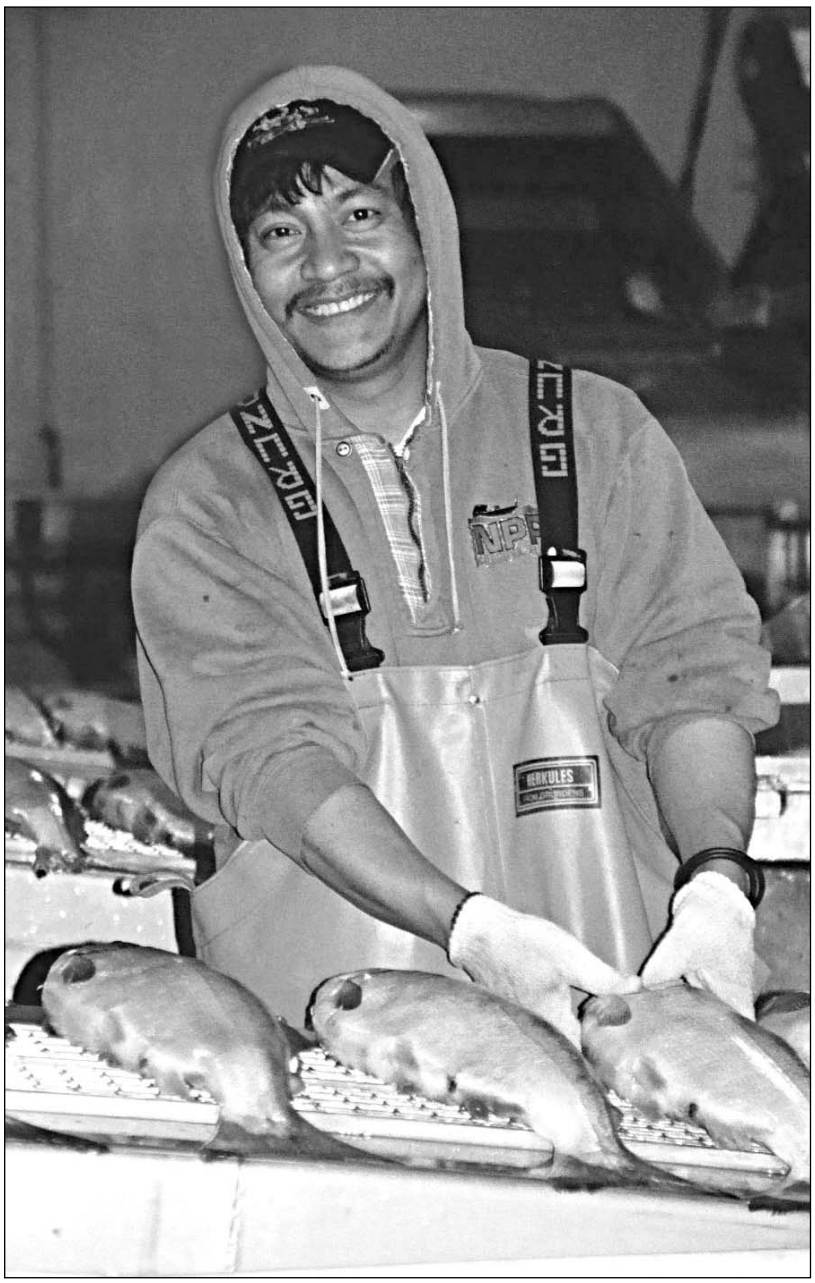


Photo by Lisa Good

Ocean Beauty Seafoods employee Carlos Gomez (left) operates a forklift to move boxes of processed sockeye salmon at the company's Naknek plant last summer in Bristol Bay. Lisa Good and Nelson San Juan (above) are seafood employment specialists at the Anchorage Midtown Job Center. The two, plus Maureen Butler, another seafood employment specialist in at the Kodiak Job Center, make up the Department of Labor's "Traveling Seafood Workforce." Richard Quemado (above right) handles sockeyes after they've been headed at North Pacific Seafoods' Pederson Point plant, three miles up the beach from Naknek.

for more work. Good has flown to Naknek, which has an early salmon run, for four days the past two Julys to talk to the workers and plant managers face to face.

Good tromps around Naknek's fish plants, talking to managers, but mostly to workers on their breaks about arranging jobs for them elsewhere when their current seasons are over. It gets fast and furious: Good, on the phone to San Juan in Anchorage, and Butler in Kodiak, coordinating all the dates, flight times and discussing which company has spots for which workers and who's paying whose airfare.

Good says it gets crazy, whether she's in Naknek or at her desk in the Anchorage office.

"If you think about it, that involves a lot of phone calls, a lot of merging of information," she says. "It amazes me to think how it all works."

Photo by Lisa Good

Gillnet boats going for sockeye during a July opening (above) at the mouth of the Naknek River. Workers handle sockeye eggs in the egg room (right) at Ocean Beauty Seafoods in Naknek. The Department of Labor's San Juan says some people tell him that the money they make in the fish plants pays their kids' college tuition.

San Juan says it's common for two processing plants – a Naknek plant, for instance, and the plant where the worker is going – to split the cost of the airfare. Most seafood employers pay workers' roundtrip airfare, because Alaska law says that if an employer pays, promises to pay, furnishes or advances the money for an employee to get to a job site, that employer has to pay for that employee's trip back to the point of hire (or any other agreed-upon place) as long as the employee successfully finishes his or her "contract" – working until the end of the processing season.

Sometimes two seafood companies will even chip in to charter a plane to move a bunch of workers. San Juan says Butler organizes a charter each summer to shuttle workers from Kodiak to Naknek for the two-week herring opening that begins in April.

San Juan says employers love the program because they get workers when they need them. Plus beginning workers are experienced by the end of the first fishery. That's crucial in a remote area with few other workers to step in when beginners can't handle the work.

"They're saving money too," San Juan says, because the companies share the airfare to somewhere else in Alaska, then the new plant pays their way home.

The official goal of the program is to increase the numbers working in the seafood industry for rural and other Alaskans, as well as to get more Alaskans into the industry's technical positions and higher-paying jobs.

San Juan and Good helped coordinate 169 "moves" from Naknek at the Anchorage Midtown Job Center last summer. They also helped arrange for six workers to go to a third processing plant after they finished their contracts at their second plant.

Everyone who applies for seafood jobs through Alaska's job centers has to submit an application and go through an hour seafood orientation. Many seafood companies hold interviews right at the Anchorage Midtown Job Center. San

Photo by Lisa Good

Juan says he tells the applicants during their orientation that if they're good workers, they can be transferred to another plant to work longer and make more money.

San Juan says the pace is absolutely nonstop, especially considering that in their job center office alone, he, Good and receptionist Merlyn Yambao – the seafood employment crew in the office – see a stream of 100 seafood processing applicants a day.

"The phone won't stop ringing," San Juan says. "And they never stop coming. We have a big room – a conference room – and it's packed every day. Every single day. Sometimes we have three [seafood] employers interviewing at the same time [in the room]."

And fish processing isn't just in the summer, either. For instance, A-season pollock starts in January, Naknek and Togiak herring are in April, B-season pollock starts in mid-June and runs through mid-November.

A lot of workers want to eventually get work on a floating processor, San Juan says, because they tend to make more money, and they don't have to pay room and board. San Juan says the biggest player in Alaska, Unisea, has a land-based processing plant in Dutch Harbor that's like a small city – including a gym and mini-theater for the workers, plus food like a buffet in a nice hotel.

The Alaska Department of Labor & Workforce Development has 15 seafood employment specialists working at the department's 24 job centers throughout the state. In 2005, they made referrals that resulted in 3,300 seafood hires, according to Laurie Fuglvog, a Department of Labor seafood employment analyst in Juneau.

For more information about seafood jobs, contact any Alaska Job Center, call (800) 473-0688 or go to the Alaska Job Center Network's Job Bank at www.jobs.state.ak.us. and click on "Seafood Jobs." For more information about the Traveling Seafood Workforce, contact Nelson San Juan or Lisa Good at the Anchorage Midtown Job Center at (907) 269-4708 or email them at Nelson_San_Juan@labor.state.ak.us or Lisa_Good@labor.state.ak.us; contact Maureen Butler at the Kodiak Job Center at (907) 486-3105 or by email at Maureen_Butler@labor.state.ak.us. Or contact Laurie Fuglvog at (907) 465-5926 or by email at Laurie_Fuglvog@labor.state.ak.us.

For more information about Alaska's return transportation law or other wage and hour laws, call the nearest Wage and Hour Office: Anchorage (907) 269-4900; Juneau (907) 465-4842; and Fairbanks (907) 451-2886.

Alaska Employment Scene

by
Dan Robinson
Economist

Employment up 1.8 percent over the year

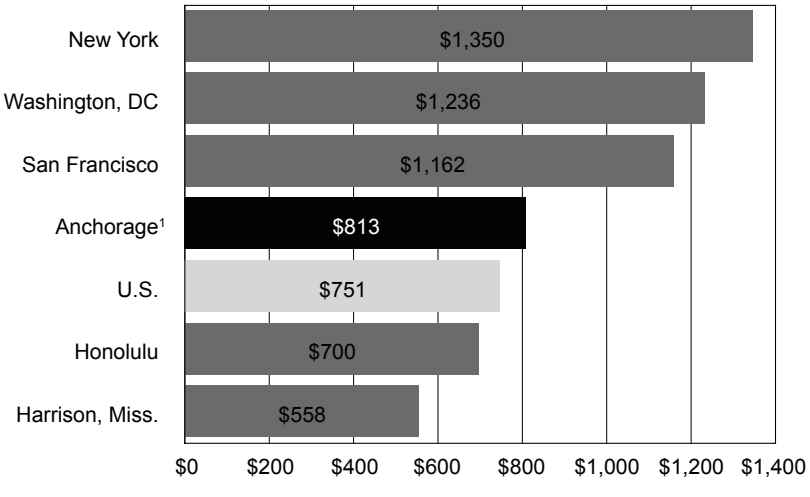
Anchorage/Mat-Su region leads the way

Total nonfarm employment fell by about 2,100 in December to 298,500, an expected seasonal drop. (See Exhibit 2.) Seafood processing jobs declined by 1,900 and construction jobs by 1,000. Holiday shopping supported an increase of 300 jobs in retail trade, and other small gains in health care, government and the oil and gas industry helped offset the seasonal losses in seafood processing and construction.

The state's December job count was 5,300 higher than it was in December 2004, which equates to over-the-year growth of 1.8 percent. Roughly 60 percent of the new jobs were generated in the Anchorage/Mat-Su region. (See Exhibit 4.) Another 32 percent came from the Interior region where Fairbanks' job market has been growing at a healthy clip. New jobs at the Pogo mine and ongoing activity at Fort Greely also contributed to the Interior region's strong growth rate.

The state's unemployment rate rose two-tenths of a percentage point to 7.0 percent in December, a typical seasonal increase. (See Exhibit 3.) The rate remained slightly lower than year-ago levels. Anchorage had the state's lowest unemployment rate in December at 5.2 percent and the Aleutians East Borough had the highest at 20.7 percent.

1 Average Weekly Wages
Selected counties, second quarter 2005



[1] The Municipality of Anchorage is the U.S. Bureau of Labor Statistics' equivalent for a county.

Source: U.S. Bureau of Labor Statistics

Anchorage wages grew a little slower than nation's

Recently released average weekly wage data for the nation's 323 largest counties show that the average weekly wage in Anchorage was $813 in the second quarter of 2005. That's about $60 higher than the national average of $751. (See Exhibit 1.) New York County had the nation's highest weekly wage at $1,350. With the

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Photos by Sam Dapcevich

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exception of three California counties, the rest of the top 10 were also in East Coast states.

Anchorage wages grew 3.0 percent from second quarter 2004 to second quarter 2005. Nationally, the growth rate was 3.9 percent. For perspective, Anchorage's inflation rate over the period was roughly 2.5 percent and the U.S. inflation rate was roughly 3 percent.

Anchorage's wage growth ranked 207th out of the 323 counties. Webb, Texas saw the strongest growth at 11.3 percent, followed by San Mateo, Calif., at 10.6 percent and Clark, Nev. – the county that contains Las Vegas – at 9.4 percent.

Only six counties recorded lower wages in the second quarter of 2005, with the largest decline coming from Pierce, Wash., at minus 7.9 percent.

The wage data are the product of a federal-state cooperative program called the Quarterly Census of Employment and Wages, which collects employment and wage information for workers covered by state unemployment insurance laws and a federal unemployment compensation program. Nationally, 97 percent of civilian workers who are paid a wage or salary are covered by the program, and the percentage is similar for Alaska.

2 Nonfarm Wage and Salary Employment

Alaska	preliminary 12/05	revised 11/05	revised 12/04	Changes from: 11/05	Changes from: 12/04
Total Nonfarm Wage & Salary[1]	298,500	300,600	293,200	-2,100	5,300
Goods Producing	33,300	35,900	31,700	-2,600	1,600
Service-Providing	265,200	264,700	261,500	500	3,700
Natural Resources & Mining	10,700	10,500	10,000	200	700
Logging	300	500	400	-200	-100
Mining	10,300	10,100	9,600	200	700
Oil & Gas Extraction	8,600	8,400	8,200	200	400
Construction	16,700	17,700	15,900	-1,000	800
Manufacturing	5,900	7,700	5,800	-1,800	100
Wood Product Mfg	400	400	300	0	100
Seafood Processing	2,100	4,000	2,200	-1,900	-100
Trade, Transportation, Utilities	61,700	61,600	60,800	100	900
Wholesale Trade	6,100	6,100	6,000	0	100
Retail Trade	36,000	35,700	35,300	300	700
Food & Beverage Stores	6,100	6,100	5,900	0	200
General Merchandise Stores	9,700	9,800	9,700	-100	0
Trans/Warehousing/Utilities	19,600	19,800	19,500	-200	100
Air Transportation	6,000	6,000	6,100	0	-100
Truck Transportation	3,000	3,000	2,900	0	100
Information	6,900	7,000	6,900	-100	0
Telecommunications	4,200	4,200	4,100	0	100
Financial Activities	14,600	14,700	14,500	-100	100
Professional & Business Svcs	23,400	23,500	22,700	-100	700
Educational & Health Svcs	36,100	35,800	35,000	300	1,100
Health Care	26,300	26,100	25,300	200	1,000
Leisure & Hospitality	28,200	28,200	27,400	0	800
Accommodation	6,500	6,500	6,500	0	0
Food Svcs & Drinking Places	18,200	18,100	17,500	100	700
Other Services	11,600	11,500	11,700	100	-100
Government[2]	82,700	82,400	82,500	300	200
Federal Government[3]	16,700	16,400	16,800	300	-100
State Government	24,500	24,700	24,400	-200	100
State Gov't Education	7,900	8,000	8,000	-100	-100
Local Government	41,500	41,300	41,300	200	200
Local Gov't Education	23,800	24,000	23,700	-200	100
Tribal Government	4,100	4,100	4,100	0	0

Notes

[1] Excludes self-employed workers, fishermen, domestics and unpaid family workers as well as agricultural workers

[2] Includes employees of public school systems and the University of Alaska

[3] Excludes uniformed military

[4] Metropolitan Statistical Area

Prepared in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics. Regional data prepared in part with funding from the Employment Security Division.

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

3 Unemployment Rates By borough and census area

NOT SEASONALLY ADJUSTED	prelim. 12/05	revised 11/05	revised 12/04
United States	4.6	4.8	5.1
Alaska Statewide	7.0	6.8	7.6
Anchorage/Mat-Su (MSA)[4]	5.7	5.6	6.1
Municipality of Anchorage	5.2	5.1	5.6
Mat-Su Borough	8.1	7.7	8.4
Gulf Coast Region	10.5	9.8	11.2
Kenai Peninsula Borough	9.6	8.9	10.1
Kodiak Island Borough	14.1	12.9	15.3
Valdez-Cordova	10.9	10.6	12.1
Interior Region	6.5	6.4	7.3
Denali Borough	12.2	12.0	13.8
Fairbanks North Star Bor. (MSA)[4]	5.7	5.6	6.4
Southeast Fairbanks	11.2	10.8	13.1
Yukon-Koyukuk	12.7	12.4	12.3
Northern Region	10.0	10.2	10.5
Nome	11.5	10.9	11.1
North Slope Borough	8.4	9.3	9.4
Northwest Arctic Borough	9.8	10.2	11.2
Southeast Region	7.9	7.3	8.8
Haines Borough	12.0	11.1	13.2
Juneau Borough	5.5	5.3	6.2
Ketchikan Gateway Borough	7.7	7.0	9.0
Prince of Wales-Outer Ketchikan	16.4	13.5	14.9
Sitka Borough	5.9	5.4	7.1
Skagway-Hoonah-Angoon	20.3	19.9	19.4
Wrangell-Petersburg	11.4	9.1	15.2
Yakutat Borough	13.1	10.3	18.0
Southwest Region	12.8	11.9	13.7
Aleutians East Borough	20.7	16.7	21.4
Aleutians West	9.6	6.9	14.4
Bethel	12.3	12.1	12.0
Bristol Bay Borough	10.5	9.3	9.6
Dillingham	10.5	10.2	12.5
Lake & Peninsula Borough	9.9	9.2	13.4
Wade Hampton	18.1	18.3	18.2
SEASONALLY ADJUSTED			
United States	4.9	5	5.4
Alaska Statewide	6.9	7	7.6

2004 Benchmark

The official definition of unemployment excludes anyone who has not actively sought work in the four-week period up to and including the week that includes the 12th of the reference month. Many individuals do not meet this definition because they have not conducted an active job search due to the scarcity of employment opportunities in rural Alaska.

4 Nonfarm Wage and Salary Employment By Region

	preliminary 12/05	revised 11/05	revised 12/04	Changes from: 11/05	Changes from: 12/04	Percent Change: 11/05	Percent Change: 12/04
Anch/Mat-Su (MSA)[4]	164,900	165,200	161,700	-300	3,200	-0.2%	2.0%
Anchorage	147,000	147,500	145,100	-500	1,900	-0.3%	1.3%
Gulf Coast	25,500	26,450	25,400	-950	100	-3.6%	0.4%
Interior	43,200	43,000	41,500	200	1,700	0.5%	4.1%
Fairbanks	37,200	37,200	36,100	0	1,100	0.0%	3.0%
Northern	16,200	16,050	16,050	150	150	0.9%	0.9%
Southeast	33,050	33,500	32,800	-450	250	-1.3%	0.8%
Southwest	15,750	16,650	15,850	-900	-100	-5.4%	-0.6%

For more current state and regional employment and unemployment data, visit our Web site.

almis.labor.state.ak.us

Employer Resources

Free services for employers at Alaska Job Centers

Professional staff at Alaska Job Centers provide employers with a multitude of useful no-cost services through the Business/Employer Connection. The services include on-line job advertising through Alaska's Job Bank at www.jobs.state.ak.us; recruiting, matching, prescreening and referring qualified applicants to jobs; as well as customized interviewing and interview rooms at job centers for employers to conduct interviews.

Another service, among others, is a program called Rapid Response, where people from various Department of Labor & Workforce Development divisions go to a business site or community facing layoffs to conduct free on-site workshops and counseling. The topics, for employees, range from training for another job, resume preparation and interview skills to stress management, financial planning and filing for unemployment insurance benefits. The program also helps employers explore strategies to avoid layoffs, such as employee stock ownership plans, upgrading employees' job skills or helping with labor-management issues.

The Business Connection Web site at www.alaskaemployer.com allows employers to post job advertisements and has links to the Alaska Employer Handbook, employee bonding, tax credits, on-the-job training, small business development, labor market information, Alaska Job Centers, Employment Security Tax, trade adjustment assistance and more. Contact your local Alaska Job Center Business Services staff for more in-depth services to match your company's needs.