

ALASKA ECONOMIC
TRENDS

February 1995



A DIVERSIFIED ECONOMY- THE KENAI PENINSULA

RECENTLY RELEASED PUBLICATIONS

A GOOD SEASON TO BE SHOPPING

ALASKA DEPARTMENT OF LABOR • TONY KNOWLES, GOVERNOR

ALASKA ECONOMIC TRENDS

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*Tony Knowles, Governor,
State of Alaska*

*Tom Cashen, Commissioner,
Department of Labor*

*Chuck Caldwell, Chief,
Research and Analysis*

J. Pennelope Goforth, Editor

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A Diversified Economy— The Kenai Peninsula

By Scott Sellmeyer

The last *Alaska Economic Trends* article on the Kenai Peninsula Borough (March 1990) focused on a recovering economy led by a wide variety of industries. These positive growth trends have continued across many sectors. Fishing, tourism, oil and gas production and refining, and government continue to be the backbone of the local economy. The economy's strongest asset is its diversification. (See Figure 5 and Table 1.)

The short-term outlook for the Kenai Peninsula Borough is generally positive. The only major soft spot has been the downsizing in the oil industry. Like the rest of the state, the oil industry still provides a substantial portion of the borough's wages and taxes. Any further oil industry cutbacks will have a negative affect on the Kenai Peninsula's economy.

After a decline during the crash of the mid-1980s, population and job growth are making steady strides. Over the last five years, the Kenai has had an average net gain of about 280 new jobs a year. Employment for 1994 is expected to be at an all-time high. Population growth has been sporadic, but following an upward trend in the 1990s. The increases in the Kenai's population have occurred mainly outside of organized cities. (See Table 4.) School enrollment on the Kenai Peninsula reached a record high in 1994 at 10,214 students and is expected to keep rising.

This growth is fueled by good years in tourism, fishing, and retail. Average monthly wages for 1993 were \$2,458, a slight increase over previous years. Most of the new jobs created are not the high wage jobs of the oil industry. New employment is in the lower-wage, low-benefit service sector. As in the rest of the state, staff reductions, consolidations, and efficiency measures trimmed the highly paid work force of the oil industry on the Kenai. These work force reductions, as in the recent Marathon/Unocal switch layoffs, ripple throughout the entire economy.

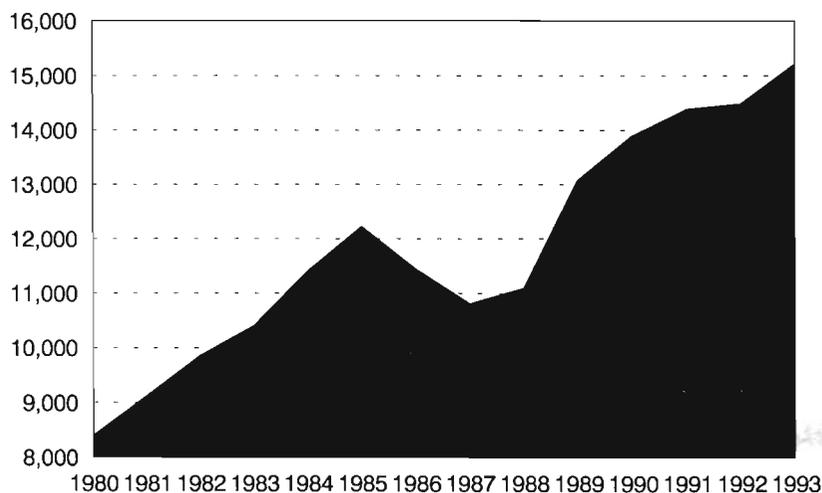
Unemployment higher than average

Even with the recent growth in employment, the current unemployment rate on the Kenai Peninsula is higher than the state average. This continues a historical trend in which the Kenai has remained an average of 4.7 points above the state's jobless rate. The higher unemployment rate can partially be explained by two reasons. First is the extreme seasonal nature of the job market on the peninsula. Second, there is a core of peninsula residents that are employed elsewhere in the state, but return home to the Kenai when they become unemployed. It is hard to attribute all of the employment differential to these factors. Clearly, there are other inherent causes for the consistently higher unemployment that are difficult to identify and isolate.

Scott Sellmeyer is a 1994 graduate of the University of Alaska Anchorage. He majored in economics. He prepared this article with labor economist Neal Fried in the Alaska Department of Labor's Research & Analysis Section in Anchorage, Alaska.

Figure • 1

Trends in Peninsula Wage and Salary Employment



Source: Alaska Department of Labor, Research & Analysis Section.

Kenai Peninsula Borough Wage and Salary Employment 1985-1993

	1985	1986	1987	1988	1989	1990	1991	1992	1993
Total Nonag. Wage & Salary	12,216	11,438	10,677	10,947	12,845	13,693	14,191	14,019	14,995
Oil and Gas	825	934	757	838	919	1,174	1,155	1,043	1,063
Construction	1,387	864	642	619	825	717	713	623	689
Manufacturing	1,419	1,295	1,320	1,486	1,644	1,861	2,066	1,848	1,833
Trans./Comm./Util.	934	678	568	622	1,199	995	1,066	967	1,001
Trade	2,436	2,318	2,264	2,180	2,305	2,556	2,708	2,936	3,194
Wholesale Trade	382	381	372	397	395	404	379	404	441
Retail Trade	2,054	1,937	1,892	1,783	1,910	2,152	2,329	2,532	2,753
Finance, Ins., Real Estate	366	375	299	257	280	281	277	300	323
Services and Misc.	1,933	2,041	1,876	1,926	2,361	2,688	2,808	2,823	3,163
Government	2,916	2,933	2,951	3,019	3,312	3,421	3,398	3,479	3,729
Federal	210	225	216	248	269	285	289	309	357
State	836	823	787	912	1,063	1,077	1,051	1,029	1,031
Local	1,870	1,885	1,948	1,859	1,980	2,059	2,058	2,141	2,341

Source: Alaska Department of Labor, Research & Analysis Section.

Bringing in the tourist dollars

With its beautiful scenery and dynamic range of outdoor activities, tourism will probably play a larger role in the Kenai's future economy. Preliminary figures indicate that 1994 was another strong year for tourism. Many new projects are in development to capture the elegance of the wild and use it to promote economic growth. These proposed enterprises include the Alaska Sea Life Center in Seward, the North Pacific Volcano Interpretive Center to be located between Ninilchik and Anchor Point, and the Alaska Maritime Refuge Center in Homer.

In the last few years, Seward and Resurrection Bay have shown the largest increases in the number of visitors. The Kenai Fjords National Park is the main reason. Over its short life span, the number of yearly visitors have grown substantially to over 120,000 in 1993, according to the National Park Service (NPS). (See Figure 2.) The NPS estimates that each visitor spends \$72 a day while visiting the park. These tourism dollars are growing as a key source of income in the area.

There are two distinctive tourist groups that visit the Kenai. One is the interstate Lower

48 tourist. In the summer of 1993, 29% of the 836,900 visitors to Alaska spent time on the Kenai. The largest attraction is the sport fishing headquarters of the Kenai River. The other group is the intrastate tourist; mainly Anchorage area residents. There were approximately 180,000 visits from Anchorage area residents to the Kenai Peninsula from January 1990 to March of 1991. Construction upgrades completed on the Seward Highway over the next five years will provide safer, quicker access to the peninsula. This should further improve these figures. Estimates peg Anchorage resident spending in 1991 at \$71 million on the peninsula. The success of the Kenai's tourism industry is therefore tied to the economic fate of Anchorage and its rate of population growth. The reliance of the Kenai on intrastate travelers is a unique feature for a state which counts on visitors from outside Alaska to support its tourism industry.

Oil sings the blues

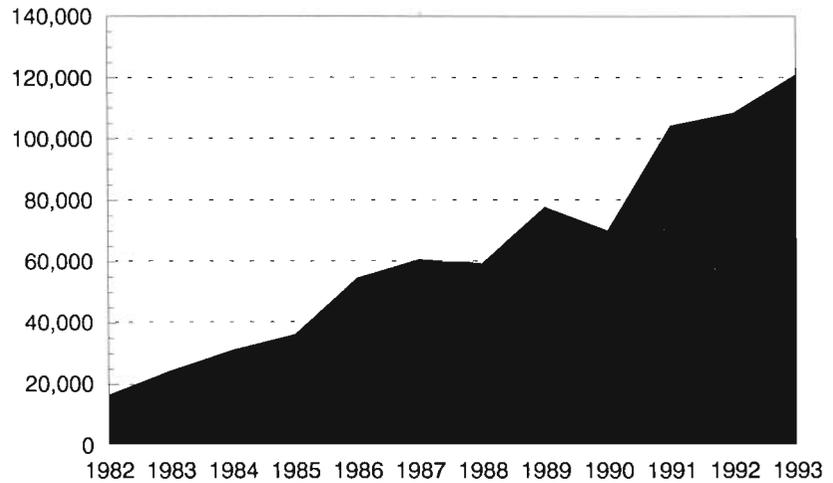
The Kenai Peninsula is experiencing the pains of a declining oil industry. The excitement over the Sunfish discovery in Cook Inlet turned out to be overly optimistic. In the fall of 1994, Union Oil Company of Cali-

Figure • 2

fornia (Unocal) and Marathon Oil Company traded properties in the Cook Inlet area. This exchange will allow each company to concentrate in its area of specialty and reduce operational costs. Marathon will focus on natural gas production and Unocal on oil platforms. When the reorganization is over, approximately 40 jobs will have disappeared from the industry. It is not clear what the future holds for the oil industry on the peninsula. Oil production is still declining, but natural gas has partially replaced the void. (See Figure 3.) It appears that oil jobs and production will continue to decline over the near future unless a major find is discovered and proven economically recoverable. If current estimates hold, Cook Inlet oil reserves will last another twenty years.

On the positive side for the Kenai Peninsula's oil industry, new discoveries are being exploited across the Inlet in the McArthur River area. Stewart Petroleum constructed a 2.8 mile pipeline to connect their McArthur River Field with the Trading Bay facility. Stewart Petroleum expects to recover 100 million barrels of oil over the next two decades. The expansion by the Division of Oil and Gas of a future oil lease sale and the recent unsealing of bids that had been delayed by litigation add to the good news.

Visitor Traffic to the Kenai Fjords Keeps Growing



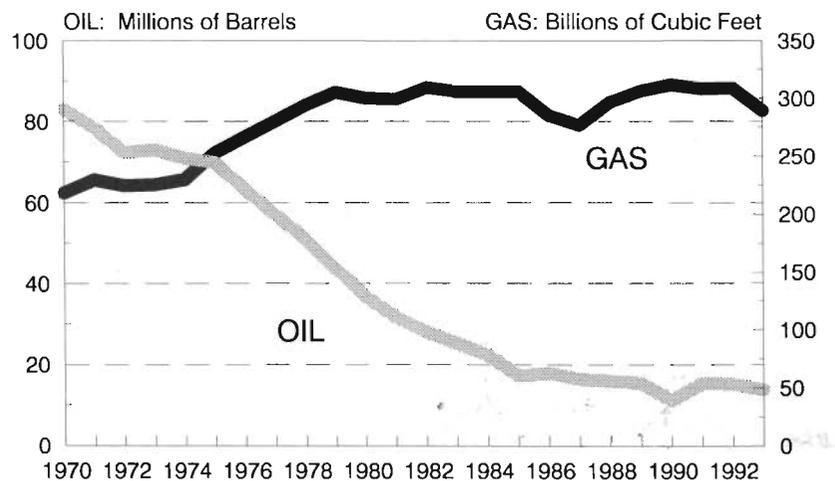
Source: National Park Service.

Figure • 3

Higher sockeye prices but no pinks

In 1994, fishers in the Cook Inlet had a good year. Sockeye prices moved higher and the catch was larger than predicted. The Upper Cook Inlet sockeye catch exceeded the Alaska Department of Fish and Game projection of 2.5 million by 1 million fish, though it was down 0.8 million from 1993. The value of the 1994 Upper Cook Inlet sockeye catch was around \$35 million. Higher prices in 1994 lifted the value of the catch above the \$31 million 1993 level. Pink salmon fishers in Cook Inlet were hit with their second bad season in a row when the runs collapsed. Even though 1994 was a near record year for the state, the outlook for the salmon industry cannot be considered bright. In real terms, the price of salmon has fallen sharply over the last five years. Much of this decline is due to the encroachment of farmed salmon into the market. In 1994, farmed salmon will comprise almost 35% of the world's market.

Cook Inlet Oil and Gas Production



Source: Alaska Department of Natural Resources, Division of Oil and Gas.

In the fishing industry, diversity is seen as the wave of the future. There are forays into the introduction of oyster growing in Kachemak and Resurrection Bays as another potential cash crop.

Fish processing employment is growing faster than the economy as a whole, but the rate has decreased over the last few years. The top four fish processors on the Kenai Peninsula account for an average of 975 jobs in 1993. In the peak summer months there are around 3,000 fish processing jobs. These are not the high-wage, glamorous jobs, but they do fill in the employment picture.

Construction growing

Construction is starting to rebound. The building of the retail stores had the largest impact on the industry. If the visitor centers mentioned earlier go forward, there will be an uplift in construction across the Kenai. Driven by a growing population and a healthy economy, housing construction is coming back. Construction is growing in the towns of Kenai and Soldotna, and also outside of orga-

nized cities. Even though residential construction grew in 1993-1994, these levels are only about a fourth of the go-go early eighties. Housing prices were up 4.7% in 1993 to average \$108,092. The prices for houses have been fighting their way back from the basement of 1988.

Retail bonanza

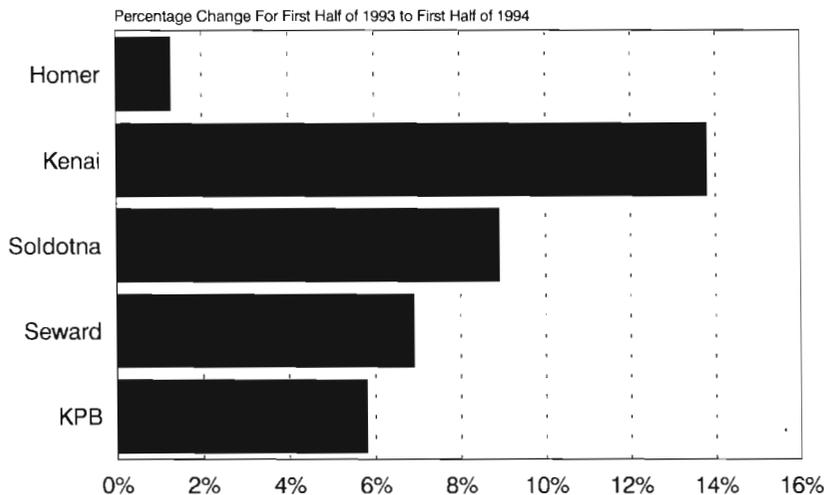
What have been the effects of the retail expansion in Kenai and Soldotna? Residents are staying closer to home and shopping at the newly opened retail outlets. This means more employment on the Kenai Peninsula and higher sales tax revenues for local governments. (See Figure 4.) There are other benefits from this expansion. A reduced cost of living due to lower prices should result from the increasingly competitive market. Also, since fewer dollars leave the Kenai for Anchorage or mail order firms, employment will remain higher in these retail outlets.

Timber!

Timber is still a small industry on the Kenai. The troubles of the Seward Sawmill reflect the dark days of timber harvesting around Alaska. Some cutting and processing is occurring, the most notable operations are in the western peninsula around Ninilchik. A new lumber mill will open in Ninilchik and process up to 30,000 board feet a day. The mill will process the timber harvest of Klukwan Forest Products. The Department of Natural Resources has gone ahead with timber sales in the Clam Gulch Forest Management Block. The harvested spruce will yield 4.8 million board feet and is part of a five-year plan by the state to log 60,000 acres on the peninsula.

Figure • 4

Taxable Sales Increase on the Peninsula



Source: Kenai Peninsula Borough.

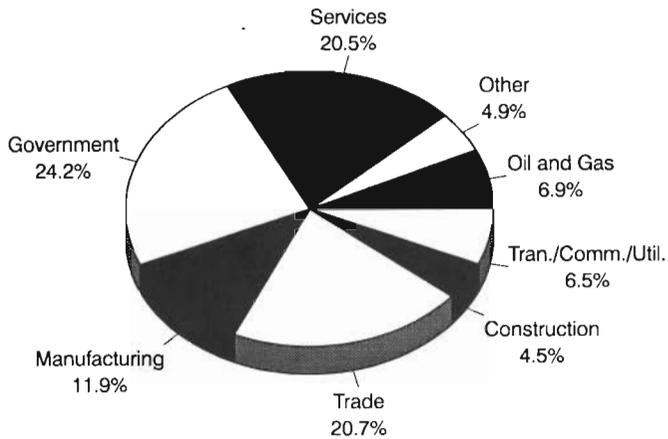
Highlights of the Big Three

More jobs in Seward

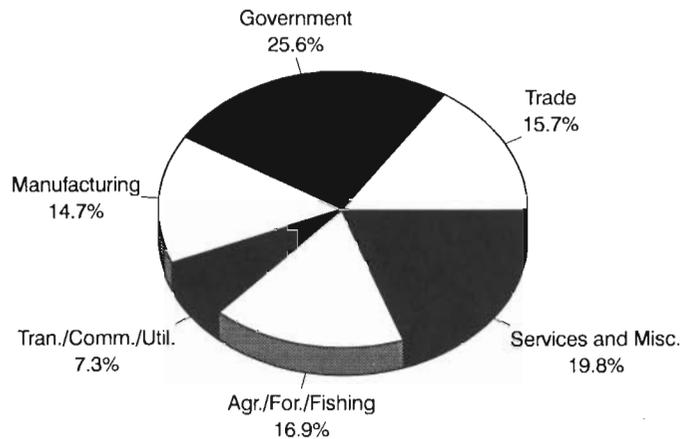
Seward's population has held firm over the past few years, while employment continues to rise. Increased tourism and fish processing are the main catalysts behind job growth. The proposed \$47.5 million Alaska Sea Life

Employment by Industry—1993

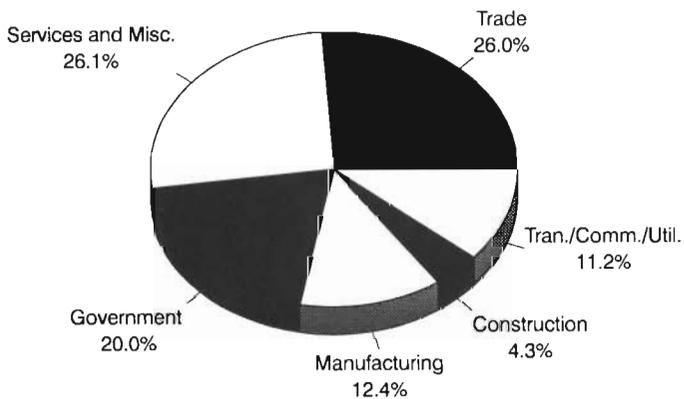
Kenai Peninsula



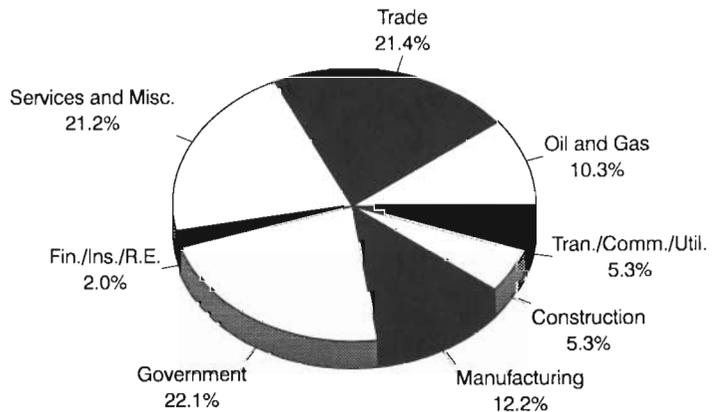
Seward



Homer



Kenai/Soldotna



Source: Alaska Department of Labor, Research & Analysis Section.

Center, a marine science research and visitor center, will help expand the tourism trade. In November, the center received \$25 million from the Exxon Valdez Oil Spill Trustee Council to help fund construction which is scheduled to be completed in 1997.

The town has also benefitted from cruise ships making Seward their port of call instead of Whittier. In 1995, 125 cruise ships are scheduled, a 200% increase from 1993. A

possible expansion of the dock facilities and two small hotels are planned to provide accommodations for the increasing number of visitors.

A major disappointment for Seward has been the on again, off again status of the \$20 million Seward Sawmill. The lack of a reliable source of timber has hampered its operation and forced a shutdown.

T a b l e • 2

A Snapshot of the Kenai Peninsula Borough Statistics from the 1990 Census

As compared to the rest of Alaska...	KPB	Alaska
The Kenai had a rapid increase in population...		
Percent change 1980-1990 (1990 Population = 40,802)	62.0%	36.9%
Peninsula residents are a little older...		
Median age	31.3	29.4
Percent under 5 years old	9.3%	10.0%
Percent 21 years & over	63.9%	64.5%
Percent 65 years & over	4.9%	4.1%
Whites are the largest percentage...		
Percent White	90.9%	75.5%
Percent American Indian, Eskimo, or Aleut	7.2%	15.6%
Percent Asian/Pacific Islander	1.0%	3.6%
Percent Hispanic (all races)	1.8%	3.2%
Percent Black	0.05%	4.1%
Less people are employed...		
Percent of all 16 years + in labor force	66.9%	74.7%
Percent males 16+ in labor force	74.7%	82.1%
Percent males unemployed	11.3%	10.0%
Percent females 16+ in labor force	58.1%	66.4%
Percent females unemployed	8.9%	7.3%
Incomes are higher...		
Median household income in 1989	\$42,403	\$41,408
Percent of families below poverty level	6.2%	8.0%
Percent with less than \$5,000 income	3.4%	3.5%
Percent with \$5,000-\$9,999 income	5.4%	4.8%
Percent with \$10,000-\$14,999 income	7.0%	6.4%
Percent with \$15,000-\$24,499 income	12.7%	13.3%
Percent with \$25,000-\$34,999 income	11.8%	13.6%
Percent with \$35,000-\$49,999 income	17.2%	18.5%
Percent with \$50,000-\$74,999 income	23.4%	21.3%
Percent with \$75,000-\$99,999 income	10.7%	10.9%
Percent with \$100,000 or more income	5.7%	7.7%
Housing is cheaper...		
Median Gross Rent	\$479	\$559
Percent rented for less than \$200	2.9%	1.7%
Percent rented for \$200-\$299	9.2%	5.4%
Percent rented for \$300-\$499	36.9%	27.8%
Percent rented for \$500-\$749	28.0%	29.8%
Percent rented for \$750-\$999	9.4%	12.8%
Percent rented for \$1,000 or more	3.8%	9.1%
Percent with no cash rent	9.8%	13.5%

Source: U.S. Bureau of the Census.

Kenai/Soldotna retail gains

The focus of economic attention has shifted from Seward a few years, back to the Kenai/Soldotna region. The Central Peninsula had a tough time reviving from the downturn in the 1980s. Now it is recovering with job gains in retail and services. The greatest difference in the last year has been the arrival of the large retail chains and many national fast food franchises. (See Table 3.)

A possible boom for local construction and employment might occur if the Midrex hot briquetted iron plant is located in Nikiski. Midrex is a subsidiary of Kobe Steel Ltd., a large Japanese steel manufacturer. The plant requires large quantities of low cost natural gas and shipping facilities. The potential expansion of Nikiski's docks have made it the front runner. Full-time employment at the plant is anticipated to be 125 jobs. This \$200 million facility would provide a needed expansion to the job and tax bases of the surrounding communities.

Sales figures for Kenai reflect the growing strength of the town. Comparing the first two quarters of 1993 to 1994, taxable sales for the city of Kenai increased over 13%. (See Figure 4.) The construction boom fueled by K-Mart and Fred Meyer may continue with several government building and maintenance projects scheduled to begin soon.

Does Homer still have its sea legs?

Tourists are increasingly calling Homer their vacation destination. Taxable sales were up 16.4% for the years 1989 to 1993. Indications are that 1994 was another banner year. Winter tourism in the form of conferences and conventions is another growth area. Land's End Resort in Homer is remodeling and expanding from a 150 guest capacity to 250 for the 1995 tourist season. Homer's population is growing slowly. There was a temporary dip in employment in 1992 but the town has been recovering since then.

Homer, with a deep water dock, is exporting wood chips harvested from the western peninsula. A new facility was constructed on the spit to hold the chips awaiting shipment to

Japan. This trade across the Pacific is anticipated to continue for 15 years providing jobs and wealth to the region.

Diversity for the future

The next decade for the Kenai Peninsula is going to mirror the employment sector changes that are occurring across Alaska. High paying oil jobs are slowly giving way to lower wage service sector jobs. Diversification may allow the borough to weather these changes with less turbulence than other areas of the state. The number of jobs may hold firm or grow in the future, but this might be at the expense of wage levels. Increasing competition for higher wage jobs and a move to jobs that require less skills will put downward pressure on wages. Like the rest of Alaska, the Kenai is looking toward the future with guarded optimism for a real "Sunfish" to be discovered.

The Kenai Peninsula's Top Ten Private Sector Employers

Rank	Firm	1993 Employment
1	Union Oil	581
2	Cook Inlet Processing	410
3	Central Peninsula Hospital	286
4	Fishing Company of Alaska	249
5	Carrs	201
6	Tesoro Alaska	182
7	Inlet Salmon	182
8	K-Mart	166
9	Peninsula Home Health Care	158
10	Dragnet Fisheries Company	133

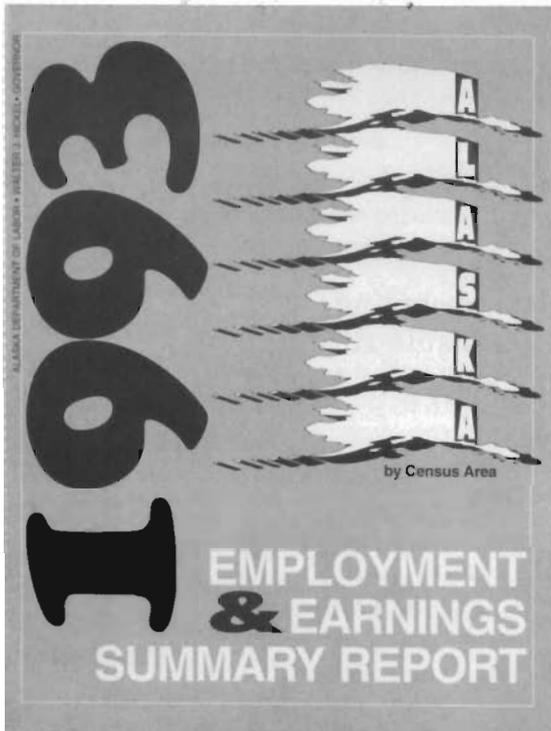
Source: Alaska Department of Labor, Research & Analysis Section.

Population Breakdown for the Kenai Peninsula Borough—1993

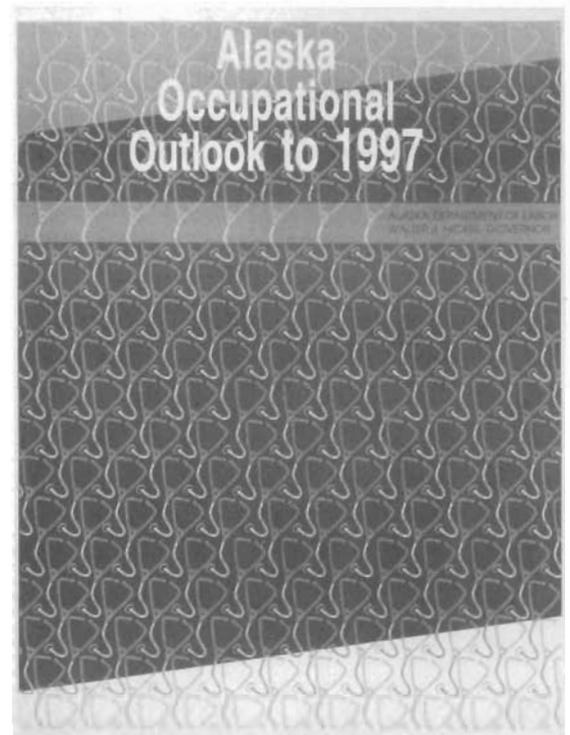
Kenai Peninsula Borough	44,411		
Anchor Point	1,016	Kalifonsky	312
Clam Gulch	83	Kasilof	437
Cohoe	556	Kenai city	6,813
Cooper Landing	261	Moose Pass	105
Crown Point	80	Nikiski	2,954
Nanwalek (English Bay)	174	Nikolevsk	435
Fox River	407	Ninilchik	509
Fritz Creek	1,611	Port Graham	177
Grouse Creek	584	Primrose	69
Halibut Cove	79	Ridgeway	2,207
Happy Valley	363	Salamatof	1,019
Homer city	3,885	Seldovia city	307
Hope	154	Seward city	2,732
Jakolof Bay	35	Soldotna city	3,809
Kachemak	389	Sterling	4,550
		Tyonek	143

Source: Alaska Department of Labor, Research & Analysis Section, Demographics Unit.

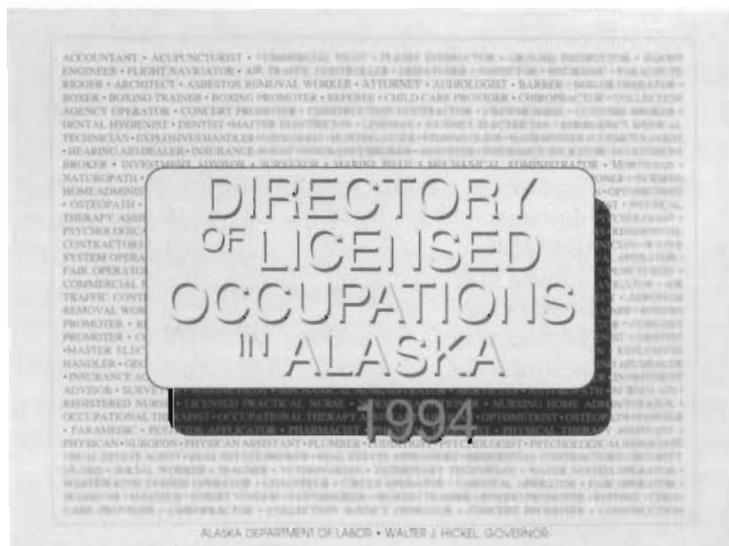
Recently Released Publications



The *Employment and Earnings Summary Report for 1993* provides employment and payroll information about Alaska and its local areas. Its intent is to assist businesses, nonprofit agencies, governments and the public in assessing the level of economic activity in Alaska. This information provides a framework for analyzing local area economies and is part of a standard method of reporting economic data approved by the U.S. Department of Labor, Bureau of Labor Statistics.



Occupational profiles for 27 major industries and industry groups are presented in the 10th annual publication *Occupational Outlook*. The award-winning publication includes occupational estimates for 1993, projections to 1997 and a narrative of the current industry status and outlook. Tables of detailed occupational employment estimates and projections for Alaska statewide, Anchorage/Mat-Su, Fairbanks and Southeast Alaska are featured. These occupational employment forecasts are based on employer surveys, a matrix of industries and occupations and industry employment forecasts.



The 10th edition of the *Directory of Licensed Occupations* is a resource publication listing 94 occupations which require licenses issued from federal, state, and several municipal governments. The listings include the costs (where applicable) of licenses, application and examination fees, bonding requirements and other permits. Each occupation also has a brief description of the licensing requirements such as education, experience, certifications, etc. The current number of licenses issued as of July 1, 1994 in the state are also shown.

Copies of these publications prepared by the Research & Analysis Section and funded by the Alaska Employment Service, are free and available at your local public library and Employment Service offices or by contacting the Alaska Department of Labor, Research & Analysis Section, P.O. Box 22501, Juneau, AK 99802-5501, 465-4500 or in Anchorage, 269-4860.

A Good Season To Be Shopping

by Neal Fried

Winter in Alaska means the job market is in a shrinking mode. Most of the state's industries were busily shedding jobs in November—8,100 to be exact. (See Table 1.) In fact, every major industry category lost ground except for trade as retailers around the state began to hire for the Christmas season. And this is going to be a very special Christmas season for both shoppers and retailers.

Shoppers will have more places to browse than ever before and retailers are likely to face the most competitive season of their lives. Employment did increase in November, but the real impressive figures are the over-the-year gains. And, if we zero in on the general merchandising sector where most of the growth has occurred, the numbers are nothing short of amazing. (See Figure 1.) The general merchandise job count crested the 10,000 mark in November—a new record for this industry. In November there were 1,100 more jobs in this category providing services to customers than there were a year ago. On a percent basis this retail category has grown by 12%. Does this mean retailers are having a heyday this Christmas season? Not likely.

If there had been a commensurate increase in the state's population or income during the past year, then retailers would probably be crowing about sales. Given the fact that the number of customers and the amount of money they have to spend have not grown in concert with the industry's expansion, one could assume that retailing has become ferociously competitive. For example, in a recent survey conducted for the Anchorage Daily News, nearly all of that city's retailers that were operating before the dramatic invasion of new players lost significant ground in the past year as the retail pie was cut up into ever more slices. Retail employment figures support the results of this survey. Given this dynamic it will be interesting to watch what happens with Alaska's retail sector after the Christmas glitter settles.

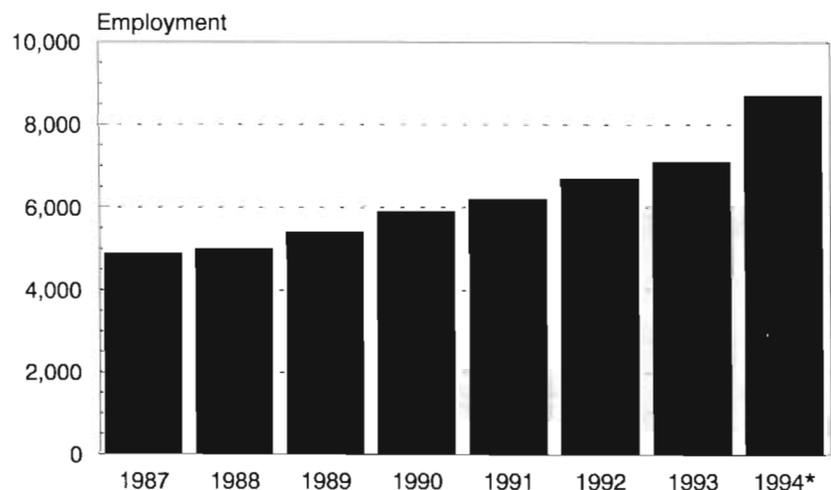
A resurgence in eating establishments

During the past four years employment in eating and drinking places (restaurants and bars) has been one of the sleepers in retail trade. Each year since 1990 this industry grew by less than one-and-a-half percent a year. In 1994 this began to change. With the year nearly over, it looks like employment in this industry may very well grow by over 4 percent. Part of eating and drinking's past weak performance can be attributed to the losses taken in the international airline food catering business which nosedived in 1992-93 as these airlines left in droves. But that fact is no longer acting as a drag on the industry's numbers. It appears that particularly strong growth is occurring in the lower- and medium-end eating places. Changing demographics and weak income growth might be part of this explanation. Alaskans are more likely now to have families and their disposable income picture is not improving. Not only are consumers flocking to the dis-

Neal Fried is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. He is located in Anchorage.

Figure • 1

General Merchandizing Employment Booms in Alaska



* Represents first 11 months of 1994.

Source: Alaska Department of Labor, Research & Analysis Section.

Table • 1

Nonagricultural Wage and Salary Employment by Place of Work

Alaska

	p/		r/		Changes from	
	11/94	10/94	11/93	10/94	11/93	
Total Nonag. Wage & Salary	250,800	258,900	248,300	-8,100	2,500	
Goods-producing	32,800	38,600	33,400	-5,800	-600	
Mining	9,300	9,700	9,900	-400	-600	
Construction	12,400	14,600	11,300	-2,200	1,100	
Manufacturing	11,100	14,300	12,200	-3,200	-1,100	
Durable Goods	2,900	3,300	3,200	-400	-300	
Lumber & Wood Products	2,200	2,500	2,500	-300	-300	
Nondurable Goods	8,200	11,000	9,000	-2,800	-800	
Seafood Processing	4,900	7,700	5,700	-2,800	-800	
Pulp Mills	600	600	500	0	100	
Service-producing	218,000	220,300	214,900	-2,300	3,100	
Transportation	22,300	23,000	22,100	-700	200	
Trucking & Warehousing	2,900	2,900	2,800	0	100	
Water Transportation	1,700	1,800	1,700	-100	0	
Air Transportation	7,400	7,600	7,100	-200	300	
Communications	3,700	3,800	3,700	-100	0	
Trade	52,100	52,100	50,200	0	1,900	
Wholesale Trade	8,100	8,300	8,100	-200	0	
Retail Trade	44,000	43,800	42,100	200	1,900	
Gen. Merch. & Apparel	10,000	9,400	8,900	600	1,100	
Food Stores	7,200	7,300	7,000	-100	200	
Eating & Drinking Places	13,600	13,900	13,000	-300	600	
Finance-Ins. & Real Estate	11,300	11,400	11,300	-100	0	
Services & Misc.	57,000	58,100	55,500	-1,100	1,500	
Hotels & Lodging Places	5,100	5,600	4,700	-500	400	
Health Services	12,700	12,600	12,300	100	400	
Government	75,300	75,700	75,800	-400	-500	
Federal	19,100	19,500	19,700	-400	-600	
State	22,100	22,500	22,200	-400	-100	
Local	34,100	33,700	33,900	400	200	

Municipality of Anchorage

	p/		r/		Changes from	
	11/94	10/94	11/93	10/94	11/93	
Total Nonag. Wage & Salary	119,700	121,500	118,100	-1,800	1,600	
Goods-producing	11,000	12,400	10,700	-1,400	300	
Mining	2,700	2,800	3,200	-100	-500	
Construction	6,600	7,700	5,800	-1,100	800	
Manufacturing	1,700	1,900	1,700	-200	0	
Service-producing	108,700	109,100	107,400	-400	1,300	
Transportation	12,300	12,400	12,000	-100	300	
Air Transportation	4,700	4,700	4,400	0	300	
Communications	2,300	2,400	2,300	-100	0	
Trade	28,700	28,400	27,800	300	900	
Wholesale Trade	5,900	6,000	5,900	-100	0	
Retail Trade	22,800	22,400	21,900	400	900	
Gen. Merch. & Apparel	4,900	4,800	4,600	100	300	
Food Stores	3,500	3,500	3,400	0	100	
Eating & Drinking Places	7,500	7,400	7,100	100	400	
Finance-Ins. & Real Estate	6,800	6,900	6,900	-100	-100	
Services & Misc.	31,700	32,100	30,900	-400	800	
Hotels & Lodging Places	2,600	2,700	2,300	-100	300	
Health Services	6,400	6,300	6,300	100	100	
Government	29,200	29,300	29,800	-100	-600	
Federal	11,300	11,500	11,700	-200	-400	
State	8,500	8,500	8,500	0	0	
Local	9,400	9,300	9,600	100	-200	

Table • 2

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/		r/	p/		r/	p/		r/
	11/94	10/94	11/93	11/94	10/94	11/93	11/94	10/94	11/93
Mining	\$1,286.00	\$1,130.30	\$1,227.39	50.0	46.4	48.9	\$25.72	\$24.36	\$25.10
Construction	1,149.91	1,184.82	981.63	43.1	46.5	39.0	26.68	25.48	25.17
Manufacturing	495.07	528.19	505.93	38.2	44.2	39.9	12.96	11.95	12.68
Seafood Processing	347.90	403.62	356.94	39.4	46.5	40.7	8.83	8.68	8.77
Trans., Comm. & Utilities	661.64	703.68	642.41	35.1	36.9	34.8	18.85	19.07	18.46
Trade	388.15	407.38	377.33	33.9	34.7	33.6	11.45	11.74	11.23
Wholesale	593.51	676.49	590.10	37.9	39.7	37.9	15.66	17.04	15.57
Retail	350.92	357.27	337.18	33.2	33.8	32.8	10.57	10.57	10.28
Finance-Ins. & R.E.	447.74	466.28	450.70	35.2	36.4	35.6	12.72	12.81	12.66

Notes to Tables 1-3:

Tables 1&2- Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Table 3- Prepared in part with funding from the Alaska Employment Service.

p/ denotes preliminary estimates.

r/ denotes revised estimates.

Government includes employees of public school systems and the University of Alaska.

Average hours and earnings estimates are based on data for full- 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 1993

Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region	p/		Changes from		
	11/94	10/94	11/93	10/94	11/93
Total Nonag. Wage & Salary	33,700	35,500	33,000	-1,800	700
Goods-producing	5,000	6,250	5,150	-1,250	-150
Mining	150	200	150	-50	0
Construction	1,550	1,800	1,550	-250	0
Manufacturing	3,300	4,250	3,450	-950	-150
Durable Goods	1,750	1,950	2,050	-200	-300
Lumber & Woods Products	1,700	1,850	2,000	-150	-300
Nondurable Goods	1,550	2,300	1,400	-750	150
Seafood Processing	750	1,550	650	-800	100
Pulp Mills	550	550	500	0	50
Service-producing	28,700	29,250	27,850	-550	850
Transportation	2,600	2,850	2,700	-250	-100
Trade	6,350	6,400	5,900	-50	450
Wholesale Trade	500	500	550	0	-50
Retail Trade	5,850	5,900	5,350	-50	500
Finance-Ins. & Real Estate	1,400	1,400	1,250	0	150
Services & Misc.	5,900	6,150	5,600	-250	300
Government	12,450	12,450	12,400	0	50
Federal	1,850	1,900	1,900	-50	-50
State	5,400	5,450	5,400	-50	0
Local	5,200	5,100	5,100	100	100

Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	128,750	130,600	126,800	-1,850	1,950
Goods-producing	11,950	13,250	11,500	-1,300	450
Mining	2,900	2,900	3,400	0	-500
Construction	7,200	8,400	6,300	-1,200	900
Manufacturing	1,850	1,950	1,800	-100	50
Service-producing	116,800	117,350	115,300	-550	1,500
Transportation	13,000	13,150	12,800	-150	200
Trade	31,150	30,900	30,000	250	1,150
Finance-Ins. & Real Estate	7,150	7,200	7,250	-50	-100
Services & Misc.	33,400	33,900	32,650	-500	750
Government	32,100	32,200	32,600	-100	-500
Federal	11,400	11,600	11,800	-200	-400
State	9,300	9,350	9,300	-50	0
Local	11,400	11,250	11,500	150	-100

Gulf Coast Region

Total Nonag. Wage & Salary	23,100	25,150	22,750	-2,050	350
Goods-producing	4,650	6,200	4,550	-1,550	100
Mining	1,150	1,150	1,100	0	50
Construction	1,200	1,450	1,150	-250	50
Manufacturing	2,300	3,600	2,300	-1,300	0
Seafood Processing	1,000	2,300	1,050	-1,300	-50
Service-producing	18,450	18,950	18,200	-500	250
Transportation	2,100	2,150	2,100	-50	0
Trade	4,500	4,700	4,350	-200	150
Wholesale Trade	500	550	500	-50	0
Retail Trade	4,000	4,150	3,850	-150	150
Finance-Ins. & Real Estate	600	600	650	0	-50
Services & Misc.	5,050	5,200	4,900	-150	150
Government	6,200	6,300	6,200	-100	0
Federal	600	600	600	0	0
State	1,750	1,800	1,800	-50	-50
Local	3,850	3,900	3,800	-50	50

Interior Region

Interior Region	p/		Changes from:		
	11/94	10/94	11/93	10/94	11/93
Total Nonag. Wage & Salary	35,000	36,100	34,050	1,100	950
Goods-producing	3,100	3,450	2,650	-350	450
Mining	1,000	1,000	700	0	300
Construction	1,500	1,800	1,400	-300	100
Manufacturing	600	650	550	-50	50
Service-producing	31,900	32,650	31,400	-750	500
Transportation	2,450	2,700	2,350	-250	100
Trade	7,550	7,600	7,450	-50	100
Finance-Ins. & Real Estate	1,150	1,150	1,100	0	50
Services & Misc.	7,500	7,650	7,200	-150	300
Government	13,250	13,550	13,300	-300	-50
Federal	3,900	3,950	4,000	-50	-100
State	4,900	5,150	4,800	-250	100
Local	4,450	4,450	4,500	0	-50

Fairbanks North Star Borough

Total Nonag. Wage & Salary	30,650	31,450	29,900	-800	750
Goods-producing	2,900	3,150	2,500	-250	400
Mining	850	850	600	0	250
Construction	1,450	1,700	1,350	-250	100
Manufacturing	600	600	550	0	50
Service-producing	27,750	28,300	27,400	-550	350
Transportation	2,050	2,300	2,000	-250	50
Trucking & Warehousing	450	450	450	0	0
Air Transportation	600	600	600	0	0
Communications	250	250	250	0	0
Trade	7,050	7,100	7,000	-50	50
Wholesale Trade	850	850	850	0	0
Retail Trade	6,200	6,250	6,150	-50	50
Gen. Merch. & Apparel	1,300	1,250	1,500	50	-200
Food Stores	750	750	700	0	50
Eating & Drinking Places	2,300	2,350	2,150	-50	150
Finance-Ins. & Real Estate	1,050	1,100	1,050	-50	0
Services & Misc.	6,850	6,950	6,500	-100	350
Government	10,750	10,850	10,850	-100	-100
Federal	3,200	3,250	3,300	-50	-100
State	4,700	4,750	4,600	-50	100
Local	2,850	2,850	2,950	0	-100

Southwest Region

Total Nonag. Wage & Salary	15,450	16,150	16,350	-700	-900
Goods-producing	3,550	4,150	4,450	-600	-900
Seafood Processing	3,100	3,700	4,000	-600	-900
Service-producing	11,900	12,000	11,900	-100	0
Government	6,000	6,100	6,300	-100	-300
Federal	1,000	1,050	1,150	-50	-150
State	500	450	550	50	-50
Local	4,500	4,600	4,600	-100	-100

Northern Region

Total Nonag. Wage & Salary	14,750	15,150	14,800	-400	-50
Goods-producing	4,700	5,050	5,000	-350	-300
Mining	4,050	4,300	4,550	-250	-500
Service-producing	10,050	10,100	9,800	-50	250
Government	5,150	5,150	4,900	0	250
Federal	200	200	250	0	-50
State	350	350	350	0	0
Local	4,600	4,600	4,300	0	300

count retailers, but they also appear to be looking for the discount meals. In fact, many of the state's new retailers are incorporating fast food operations within their stores. This sector is also getting a big boost from the state's surging visitor sector. Eating and drinking places are one of the major beneficiaries of the state's visitor industry.

The finance sector loses luster

Low interest rates, a fairly robust real estate market, and a surge in refinancing activity in 1993 and early 1994 helped make the state's finance sector one of the perkier areas of the economy. Banks, mortgage lenders, appraisers, title companies and other real-estate related employers were the big winners in the upsurge of activity in this area. For example, in 1993 this sector grew by 3.7% compared to 2.1% for all industries. And during the first half of 1994 it grew by 9.5%. During the last half of 1994, this sector has lost some of its employment luster as refinancing activity has declined and other real estate activity slowed. Most other indicators in the banking sector remain on the plus side. Lending activity remains slightly ahead of year-ago levels and total deposits are up as well.

Unemployment rises a little

Alaska's unemployment rate increased for the third month in a row in November, climbing to 7.4%. (See Table 4.) It is not unusual for the unemployment rate to increase in November given the fact that wage and salary employment fell by over 8,000. Alaska's unemployment rates will likely continue to climb through February or March as seasonal layoffs continue to take their toll. In most cases, regional unemployment rates around Alaska moved in unison with the state's. The one exception was Kodiak—again. In October Kodiak's unemployment rate was sliced in half when the fish processors moved into high gear processing the last allocation of ground fish for the year. By November most of this work was completed and Kodiak's unemployment rate nearly quadrupled from 5.2% in October to 20.0% in November. These dramatic swings in Kodiak's economy reflect the ever shorter and frenzied groundfish seasons. At one time the groundfishery helped flatten out the seasonality of Kodiak's fishing industry. However, as more players entered this fishery it, too, joined the short intense seasons of so many of Alaska's other fisheries.

Table • 4

Unemployment Rates by Region & Census Area

	Percent Unemployed	
	p/ 11/94	r/ 10/94
Not Seasonally Adjusted		
United States	5.3	5.4
Alaska Statewide	7.4	7.1
Anch.-MatSu Region	6.2	6.1
Municipality of Anchorage	5.4	5.5
MatSu Borough	10.8	10.4
Gulf Coast Region	13.5	10.6
Kenai Peninsula Borough	12.1	12.7
Kodiak Island Borough	20.0	5.2
Valdez-Cordova	9.4	9.6
Interior Region	7.9	7.5
Denali Borough	15.1	10.4
Fairbanks North Star Borough	7.1	6.9
Southeast Fairbanks	13.7	12.6
Yukon-Koyukuk	13.5	12.0
Northern Region	8.7	9.5
Nome	10.4	11.3
North Slope Borough	3.4	4.1
Northwest Arctic Borough	13.7	14.3
Southeast Region	7.1	6.9
Juneau Borough	5.6	5.4
Ketchikan Gateway Borough	7.0	6.5
Pr. of Wales-Outer Ketchikan	10.8	10.2
Sitka Borough	7.5	8.2
Skagway-Yakutat-Angoon	10.9	8.6
Wrangell-Petersburg	8.0	7.9
Southwest Region	5.9	6.2
Aleutians East Borough	2.6	2.4
Aleutians West	1.4	1.6
Bethel	8.3	9.7
Bristol Bay Borough	5.5	4.4
Dillingham	7.3	6.0
Lake & Peninsula Borough	6.3	4.9
Wade Hampton	11.7	11.2
Seasonally Adjusted Rates		
Alaska Statewide	7.4	7.4
United States	5.8	5.6

p/ denotes preliminary estimates
Benchmark: March 1993

r/ denotes revised estimates

- **Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.**
- **The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.**

Source: Alaska Department of Labor, Research & Analysis Section.

In November, 22,630 Alaskan's were unemployed. Job growth is one plus in this picture. There are 5,200 more jobs in Alaska in 1994 than there were in 1993. Wage and salary employment is running 2% ahead of year-ago levels. And a robust national job market has also helped keep the state's unemployment rate in check. Fewer job seekers are venturing north seeking opportunities because opportunities exist closer to home. The comparable national unemployment rate (civilian not seasonally adjusted) in November was 5.3%.

Alaska Employment Service

Anchorage: Phone 269-4800

Glennallen: Phone 822-3350

Homer: Phone 235-7791

Bethel: Phone 543-2210

Kotzebue: Phone 442-3280

Kodiak: Phone 486-3105

Dillingham: Phone 842-5579

Nome: Phone 443-2626/2460

Seward: Phone 224-5276

Eagle River: Phone 694-6904/07

Tok: Phone 883-5629

Juneau: Phone 465-4562

Mat-Su: Phone 376-2407/08

Valdez: Phone 835-4910

Petersburg: Phone 772-3791

Fairbanks: Phone 451-2871

Kenai: Phone 283-4304/4377/4319

Sitka: Phone 747-3347/3423/6921

Ketchikan: Phone 225-3181/82/83



Alaska Economic Regions

The mission of the Alaska Employment Service is to promote employment and economic stability by responding to the needs of employers and job seekers.