ALASKA ECONOMIC

JULY 1999

TRENDS

Skagway

Gateway to the Klondike

A hundred years ago, Skagway experienced a boom as gold-seekers by the thousands streamed through on their way to the gold fields in the Klondike. Today, burgeoning crowds of tourists are bringing a new boom to a town rich with historic sites and stories.

Also in this issue:
Population Trends
Employment Scene

Alaska Department of Labor   Tony Knowles, Governor

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Tony Knowles, Governor of Alaska
Ed Flanagan, Commissioner of Labor

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Skagway: Gateway to the Klondike

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From gold rush boom to tourism boom

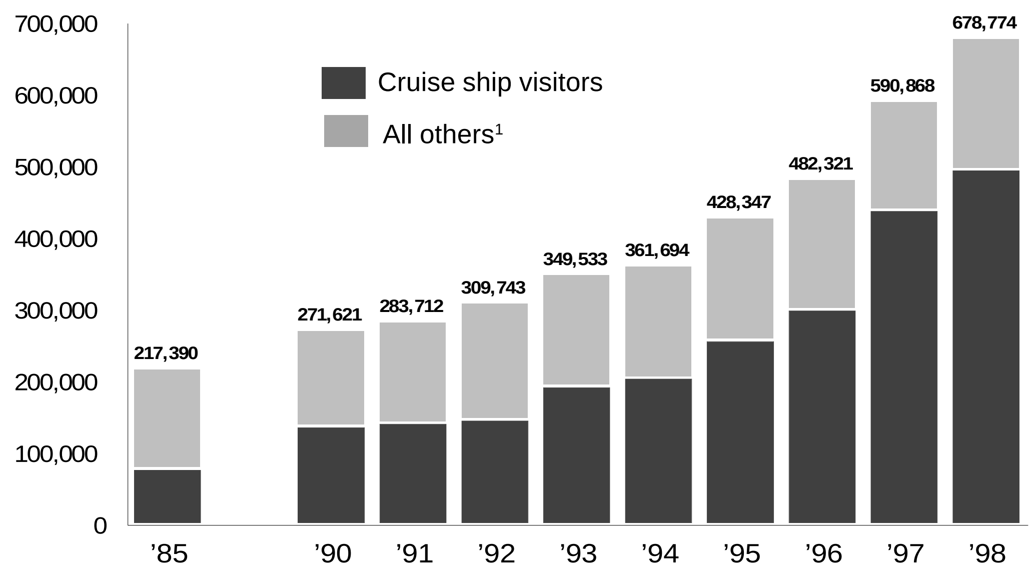
During the Klondike gold rush of the late 1890s, thousands headed north to Alaska and the Yukon Territory in search of personal fortune. Goldseekers came through Skagway, the port nearest to embarkation points for the famous Chilkoot and White Pass trails, on their way to Dawson City and points beyond. The first boatloads of stampeders arrived in Skagway and nearby Dyea in the summer of 1897. By October, a Northwest Mounted Police report estimated Skagway's population at more than 20,000.

Just a few years later, the peak of the gold rush had passed and the 1900 census reported the city's population at 3,117. That figure was still large enough to make Skagway the second-largest settlement in Alaska. In the same year, Skagway became the first incorporated city in the Territory of Alaska. That distinction was short-lived, however, and the town's population continued to shrink as time passed. In 1910, the number of inhabitants in Skagway was estimated at 872.

Unlike nearby Dyea and many other gold rush towns, Skagway managed to survive after the majority of stampeders had moved on. With the construction of the White Pass and Yukon Railroad, the city insured itself an economic future as a supply and shipping port for towns in interior Canada and Alaska. Construction began on the railroad in May 1898 and reached Lake Bennett, British Columbia, in July 1899. The final spike was driven near Whitehorse in July 1900. By this time, the gold rush was over, but the railroad still served as an important link to the Interior. The railroad quickly became the center of Skagway's economy, and continued to be the primary source of jobs and income until the early 1980s.

Cruise Ship Visitors Multiply 1

Visitor arrivals by mode: 1985, 1990-1998



[1] Includes Alaska Marine Highway, Klondike Highway, White Pass and Yukon Railroad, air, and other.

Source: Skagway Convention and Visitors Bureau

Today, Skagway's population is 814 and its economic roots are still tied to the remnants of the gold rush of 1898. The crowds that disembark at Skagway are not fortune seekers, but tourists visiting Skagway's historic sites. Their popularity makes tourism far and away the largest industry in Skagway. The transportation sector now holds a lesser place in Skagway's economy. Over the last 20 years transportation lost importance due to the astounding growth in tourism and the curtailment of White Pass and Yukon Railroad service from year-round freight shipments to tourist excursions in the summer months.[1]

Tourism: Skagway's largest industry

Skagway's economic lifeblood is now the tourism industry. Located at the northern terminus of the Inside Passage, Skagway is a stop for nearly every cruise line that plies the Inside Passage. The growth of the cruise industry in Alaska has resulted in phenomenal growth in the number of visitors that Skagway sees during the course of the summer. In 1985, about 77,000 cruise ship passengers visited Skagway. By 1998, that number had grown more than six times, coming in at over 490,000 visitors. While other modes of visitation have generally stayed stable or grown slightly, it is the cruise ship industry that has driven growth in Skagway's visitor sector. (See Exhibit 1.)

Skagway offers retail shops, restaurants and tours. Visitors also flock to the Klondike Gold Rush National Historical Park, which was authorized by Congress in 1976. At that time, the National Park Service (NPS) began restoration work on historic buildings and trails in Skagway. This restoration process has made a significant contribution to Skagway's economy. The NPS contributed $12.5 million to restore 13 historic structures in Skagway over the past 20 years. This restoration will be completed in 1999 and the downtown historic district's false-fronted buildings will look as they did during the gold rush years.

2 Skagway Wage & Salary Employment
Annual Averages 1980, 1985, 1990-1998

	1980	1985	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total Industries	**497**	**395**	**604**	**572**	**587**	**595**	**593**	**593**	**648**	**651**	**681**
Construction	1	0	0	0	2	6	13	29	27	26	30
Manufacturing	0	0	4	4	13	12	13	14	22	11	12
Transportation/Comm/Util [1]	239	86	176	160	152	156	156	65	89	90	92
Trade	55	75	103	102	122	132	154	177	191	194	188
Finance/Insur/Real Estate	10	9	7	7	7	8	8	8	7	7	6
Services [1 2]	67	66	139	136	124	106	99	169	160	162	196
Agric., Forestry, Fishing	3	2	1	0	0	0	0	0	0	0	0
Nonclassified	11	3	0	0	0	0	0	0	0	0	0
Government	109	155	175	162	166	176	150	147	160	162	159
Federal	11	35	35	37	40	52	58	57	68	69	65
State	22	33	36	15	15	14	12	12	11	12	11
Local	77	87	105	110	111	110	80	78	81	81	83

Subtotals may not add due to rounding.

Source: Alaska Department of Labor, Research and Analysis Section

[1] In 1995, White Pass and Yukon Railroad was reclassified from rail transportation to services.
[2] Employment estimated for non-reporting multi-site services employer.

The impact of tourism can be seen in the employment mix for Skagway. Employment for the tourism sector is not counted directly, but most tourism-related jobs in Skagway are included in trade and service sectors. These industries provided 384 jobs during 1998, 56 percent of the total. Tourism activity supports a significant number of jobs in retail trade, hotel and motel services, eating and drinking places, and amusement and recreation services. In addition, transportation services for visitors to Skagway include buses, taxis, shuttles and horse carts. The transportation sector provided 92 jobs in 1998. (See Exhibits 2 and 3.)

Seasonal fluctuations set the pace for Skagway's economy

Since the majority of visitors come to Skagway during the summer months, much of the total economic activity takes place during a short period of time. Skagway's employment exhibits sharp seasonal fluctuations and the bulk of its business revenues are earned during the summer months. (See Exhibit 4.) The bustling city center of Skagway in the middle of the tourist season is hardly recognizable during the winter months. For the month of January 1998, total employment was 349 and there were 11 employers with 10 or more employees. During the peak month of July 1998, employment more than tripled to 1,106, and the number of large employers increased to 26. (See Exhibit 5.)

The seasonal nature of the tourism business has caused Skagway's local government to search for ways to broaden the city's economic base. Year-round residents are concerned about the lack of economic activity during the winter. Currently, a significant number of businesses close down for the winter season and, in many cases, the business owners leave town. The Skagway Convention and Visitors Bureau is working to expand Skagway's shoulder tourism season with events like the Windfest and the Buckwheat Classic to keep tourism dollars coming to Skagway as long as possible during the year. Local officials are also looking at opportunities to diversify the economy by encouraging the development of businesses that operate year-round. Potential businesses include a fish hatchery, light manufacturing and trucking.

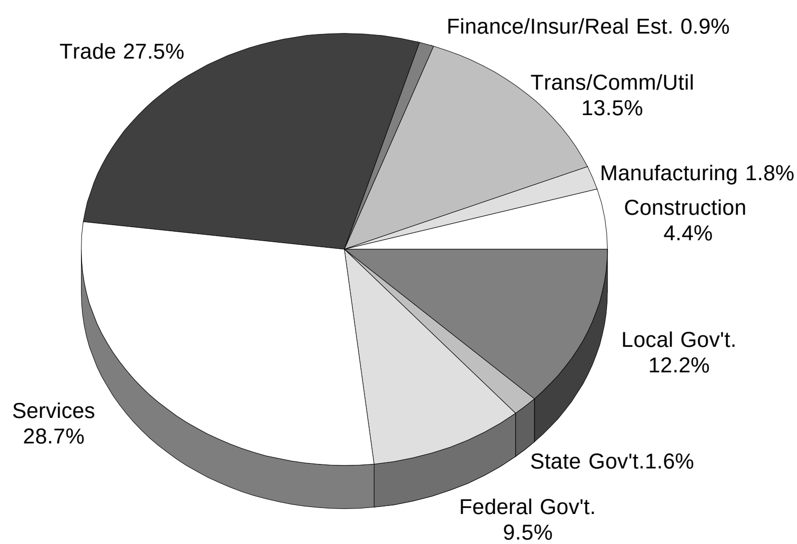
Transportation keeps a foothold in Skagway's economy

Prior to the tourism surge, transportation provided the largest number of jobs in Skagway, primarily with the White Pass and Yukon Railroad. Currently, the transportation industry is the third largest private sector employer, and the railroad remains the largest Skagway employer. On an annual average basis in 1998, the White Pass and Yukon Railroad topped the list with 68 employees.

The White Pass and Yukon Railroad was initially built to supply goods to the interior gold mining camps. The railroad prospered during World War II when the trains hauled freight in the war

Trade and Services Claim More than half of jobs – 1998 3

Annual jobs by industry



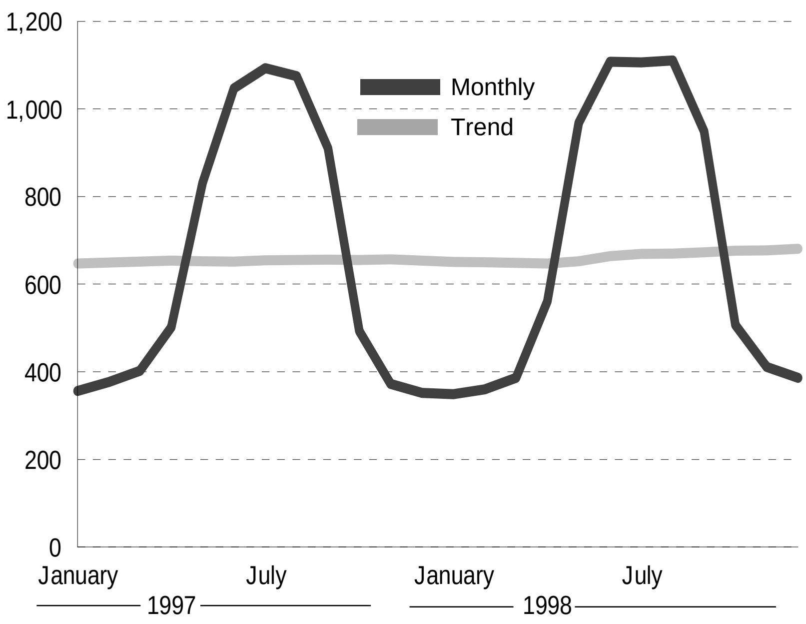
Source: Alaska Department of Labor, Research and Analysis Section

effort. A fuel pipeline was also built parallel to the railroad tracks during this period. The railroad was used to transport materials for the construction of the Alaska-Canada (Alcan) highway. In the late 1960s and into the 1970s, railroad activity increased when the Cyprus Anvil lead-zinc mine opened in Faro, Canada. Freight shipments increased substantially, the railroad thrived and remained the center of Skagway's economy. After 1975, the bottom fell out of world ore prices, forcing the Faro mine to close in 1982. The railroad, almost entirely dependent on mine shipments, closed down the same year.

During the 1988 summer season, the railroad resumed passenger excursion service as a tourist attraction. This boosted transportation employment in Skagway for several years, but in 1995, White Pass and Yukon Railroad employment was reclassified from transportation to services to better reflect its function as a tourist attraction.

Skagway is connected to interior Canada and Alaska by highway. The Klondike Highway opened year-round in 1986 and connects Skagway and Whitehorse. Skagway is one of only three Southeast communities with road access to the outside. The highway runs north through British Columbia and into the Yukon Territory to Carcross. The Klondike Highway eventually joins with the Alaska Highway, which provides access to interior Canada and Alaska. The opening of the road provided another access route for independent travelers to visit Skagway. The highway also serves as a trucking route between Skagway, Whitehorse and other communities in the Yukon.

4 Skagway Monthly Job Count
Shows striking seasonal swings



Source: Alaska Department of Labor, Research and Analysis Section

The Port of Skagway serves several important functions in the city's economy. Inbound general cargo and petroleum products pass through the port. Outbound ore concentrates are shipped all over the world from Skagway when the Yukon mines are operating. The port also serves the tourist industry as a docking spot for Alaska Marine Highway vessels and cruise ships. Barges call upon the Skagway port on a weekly basis. Several small tour ships and day boats also dock at the Skagway port and the harbor is beginning to experience congestion. The city, which manages the boat harbor, would like to expand the docking space but there is currently no room for growth.

Air access to Skagway is also gaining importance as more independent travelers visit the city. Skagway is served by scheduled and charter service from Juneau, Haines and Whitehorse. The Skagway airport has seen an increase in activity as transportation and sightseeing service by small planes has increased. The Alaska Department of Transportation began examining Skagway's airport in the late 1980s to determine how airport facilities could be expanded. The development of an airport expansion plan was delayed due to environmental impact concerns because the airport is adjacent to the Skagway River. After a decade of study, planning and permitting, project permits were issued in January 1999. Airport improvements were planned to begin immediately and are scheduled for completion in 2001.

Employers with 10 or More Employees
Three different perspectives in 1998

5

The Department of Transportation plan is designed to accommodate airport needs through 2012, with the possibility of an expansion to respond to traffic growth after that date. The increased airport capacity will allow for more growth in sightseeing services, which could provide more jobs in the air transportation industry.

The public sector is a large employer

As in most other communities in the Southeast region, public sector employment plays an important role in Skagway's economy. In 1998, local, state and federal government provided 23.3% of the city's jobs. The National Park Service is a large employer and it contributes a significant amount of money to the local economy for restoration, capital projects and maintenance. The Park Service presence will diminish, however, as the restoration projects are completed this year and those workers are laid off or reassigned to other duties. The City of Skagway is another large employer; it provided 45 jobs in 1998. State government employs only 11 people in Skagway, but state funding also contributes to Skagway's economy through capital improvement projects.

The Skagway City School District is also an important source of public sector employment. The city has one K-12 school, which had 33 winter employees in 1998. The school was built in 1985 and can accommodate up to 199 students. Since 1990, school enrollment has dropped from 148 to 130. This decline has occurred despite steady population growth in Skagway during the 1990s. This is because the growth was concentrated in the over-35 age group, especially the over-65 group, while the population age 19 and under decreased. School officials anticipate that the school-age population will continue to decline as the city's population ages and the economy continues to become more seasonal, which could discourage families with young children from moving to Skagway. Employment at the school district could be affected

Ranked by Annual Average Employment 1998

RANK	NAME	EMPLOYMENT
1	White Pass and Yukon Railroad	68
2	City of Skagway	45
3	U.S. Dept. of Interior, National Park Service	44
4	Westmark Hotels Inc.	43
5	Skagway City School District	26
6	Golden North Hotel Inc.	23
7	Corrington's Alaskan Ivory Co.	22
8	Skagway Air Service Inc.	19
9	Hamilton Construction	16
10	Fairway Market Inc.	16
11	Temsco Helicopters Inc.	15
12	Alaska Power & Telephone Co.	15
13	Skagway Street Car Co. Inc.	14
14	Skagway Hardware Co.	13
15	Red Onion Saloon	12
16	Hunz & Hunz Enterprises	12
17	Sweet Tooth Saloon	10
18	Moe's Frontier Bar & Liquor Store	10

Ranked by January 1998 Employment

RANK	NAME	EMPLOYMENT
1	City of Skagway	43
2	U.S. Dept. of Interior, National Park Service	40
3	Skagway City School District	33
4	White Pass and Yukon Railroad	19
5	Fairway Market Inc.	15
6	Skagway Air Service Inc.	13
7	Alaska Power & Telephone Co.	13
8	Skagway Hardware Co.	11
9	Hunz & Hunz Enterprises	11
10	U.S. Postal Service	10
11	Mineral Services Inc.	10

Ranked by July 1998 Employment

RANK	NAME	EMPLOYMENT
1	White Pass and Yukon Railroad	120
2	Westmark Hotels Inc.	110
3	Golden North Hotel Inc.	55
4	U.S. Dept. of Interior, National Park Service	55
5	Corrington's Alaskan Ivory Co.	51
6	City of Skagway	50
7	Temsco Helicopters Inc.	38
8	Skagway Street Car Co. Inc.	36
9	Skagway Air Service Inc.	24
10	Fairway Market Inc.	23
11	Hamilton Construction	21
12	The Stowaway Café	19
13	Southeast Stevedoring Corp.	19
14	Alaska Power & Telephone Co.	18
15	Sweet Tooth Saloon	17
16	Kellers Trading	17
17	Kone Kompany	17
18	Skagway Hardware Co.	15
19	Packer Expeditions Ltd.	13
20	Historic Skagway Inn	13
21	Moe's Frontier Bar & Liquor Store	12
22	Lynch & Kennedy Dry Goods Inc.	12
23	Hunz & Hunz Enterprises	11
24	Skagway City School District	11
25	Jewell Construction	11
26	Garden City Greenhouse	10

Methodology: This list was compiled by Unemployment Insurance account number. Firms with the same owner that report separately for Unemployment Insurance purposes are counted as separate entities. Due to the extremely seasonal nature of the Skagway economy, firms which operate seasonally and have a home office elsewhere may not be included in this list.

Source: Alaska Department of Labor, Research and Analysis Section

in the future if student enrollment continues to decline, because the district's state funding depends on the number of students enrolled.

Sales and bed tax revenues put Skagway in the black

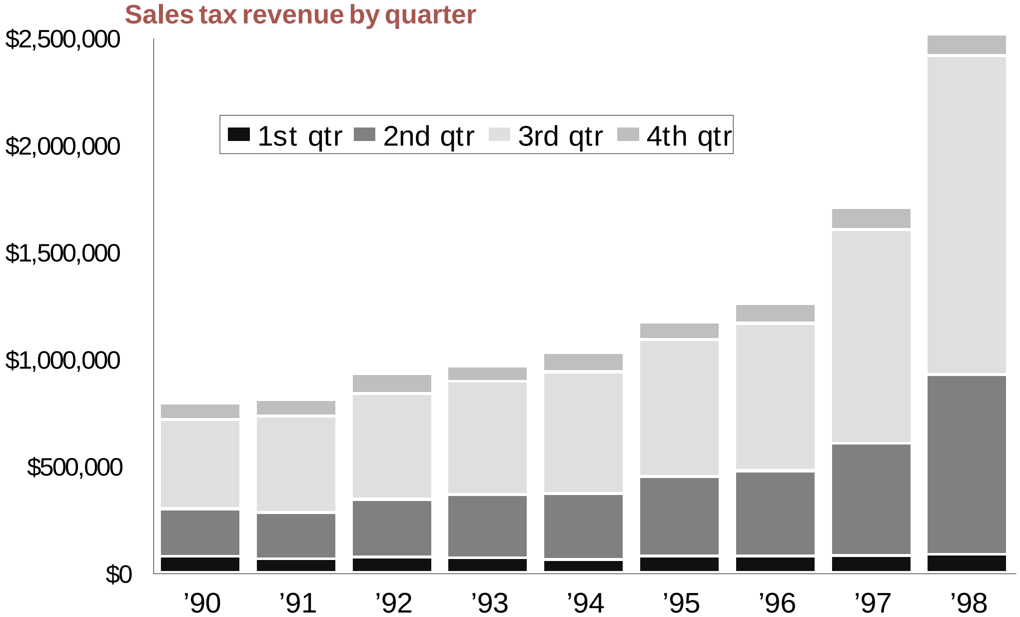
The City of Skagway is in the enviable position of having a budget surplus due to sales and tourism tax revenues. The city collects a four percent sales tax and an eight percent hotel bed tax. In 1997, Skagway received $1.7 million in sales taxes. Just over $1 million came from tourism-related businesses. A significant portion of that revenue came from gift shop sales that primarily serve tourists. In 1998, sales tax revenues jumped to about $2.5 million, partially due to the elimination of a tax exemption for excursions and transportation services booked outside of Skagway. (See Exhibit 6.) The large increase in tax revenues has prompted the city to reexamine its expenditures. Skagway is working to develop a budget plan that supports the school district, capital projects, maintenance and operation of the city without draining its budget surplus account.

The tourism rush of the 1990s–déjà vu for Skagway?

Skagway's economy is currently experiencing a "boom" in the tourism industry that is comparable to the gold rush activity that created the town one hundred years ago. This time, however, the city is in a good position to benefit from the boom cycle while working to establish a healthy year-round economy. Although Skagway is currently enjoying the returns from its flourishing tourism industry, local officials recognize that the city's economy would be vulnerable if tourism activity were to slow significantly. Efforts are under way by Skagway's city officials to diversify the economy and make it less dependent on tourism-related activities. Skagway is also using its favorable fiscal position to make infrastructure improvements and stabilize its economy for the benefit of the year-round residents.

6 Sales Tax Peaks in Summer
In company with the tourists

Sales tax revenue by quarter



Source: City of Skagway

Alaska Population Trends

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Area projections to year 2018

If population trends of the 1990s continue for the next two decades, Alaska's total population will grow to 776,488 by 2018. Regional distribution of population will shift and the state's demographic character will differ from that of today.

Projected trends

Based on recent trends, mid-range projections indicate the Anchorage/Matanuska-Susitna region should continue to grow more rapidly than the state as a whole. In 2018, this region is expected to comprise 51.7% of the state's population and account for 56.9% of the total population growth through 2018. The Northern and Southwestern regions should grow faster than the statewide average of 1.1%, while the Gulf Coast, Interior and Southeast regions will probably grow more slowly.

The largest increase in population share is expected in the Matanuska-Susitna Borough, which should increase from 8.8% of the state's population in 1998 to 13.2% in 2018. Mat-Su's annual average growth rate of about 3.3% will be nearly three times higher than the statewide rate. Other areas expected to grow faster than the state as a whole include the Wade Hampton Census Area, North Slope Borough and Yakutat Borough. (See Exhibit 4.)

Areas expected to have a net loss of population between 1998 and 2018 are the Valdez-Cordova Census Area, Yukon-Koyukuk Census Area, Sitka Borough, Skagway-Hoonah-Angoon Census Area, Wrangell-Petersburg Census Area and Aleutians East Borough.

School age population will grow

If Alaska follows the trend of the 1990s, the number of children ages five through 17 is expected to increase by 12.9% by 2018. Numerically, the greatest growth should occur in the Matanuska-Susitna Borough (+10,032), Kenai Peninsula Borough (+2,913), Bethel Census Area (+2,241), Wade Hampton Census Area (+1,812), Fairbanks North Star Borough (+1,191), Nome Census Area (+1,134), and North Slope Borough (+1,106). Declines in the school age population are anticipated in the Municipality of Anchorage, Yukon-Koyukuk Census Area, Sitka Borough, Wrangell-Petersburg Census Area, Valdez-Cordova Census Area, Skagway-Hoonah-Angoon Census Area, Aleutians West Census Area, Aleutians East Borough, Prince of Wales-Outer Ketchikan Census Area and Kodiak Island Borough.

The Northern and Southwestern regions of the state should increase their shares of the statewide school age population, while the Southeast, Interior and Anchorage/Mat-Su shares are expected to shrink. The largest percentage increase in school age population over the next 20 years should occur in the Matanuska-Susitna Borough (+70.3%), while the school age population in the Municipality of Anchorage should decline by 2.8%.

Older Alaskans

Over the next 20 years, the number and percentage of older Alaskans in the state will increase dramatically. By 2018, Alaska's population age 65

1 Population Projections for Alaska to 2018

Middle series by labor market area

Labor Market Area	July 1 1998 Estimate	July 1 2003	July 1 2008	July 1 2013	July 1 2018
ALASKA	621,400	656,150	693,018	733,852	776,488
Anchorage/Mat-Su Region	313,308	333,042	353,770	376,779	401,631
Municipality of Anchorage	258,782	269,567	279,707	289,528	298,875
Matanuska-Susitna Borough	54,526	63,475	74,063	87,251	102,756
Gulf Coast Region	73,028	76,771	80,553	84,737	88,837
Kenai Peninsula Borough	48,815	52,382	56,110	60,234	64,305
Kodiak Island Borough	13,848	14,030	14,159	14,277	14,416
Valdez-Cordova Census Area	10,365	10,359	10,284	10,226	10,116
Interior Region	98,647	102,931	106,963	110,915	114,459
Denali Borough	1,864	1,993	2,129	2,303	2,495
Fairbanks North Star Borough	83,928	88,012	91,773	95,367	98,585
Southeast Fairbanks C.A.	6,402	6,814	7,270	7,753	8,203
Yukon-Koyukuk Census Area	6,453	6,112	5,791	5,492	5,176
Northern Region	23,649	25,627	28,098	31,027	34,236
Nome Census Area	9,402	9,986	10,725	11,591	12,527
North Slope Borough	7,403	8,301	9,421	10,741	12,211
Northwest Arctic Borough	6,844	7,340	7,952	8,695	9,498
Southeast Region	74,285	76,298	78,687	81,462	83,976
Haines Borough	2,476	2,606	2,776	2,961	3,146
Juneau Borough	30,236	31,388	32,413	33,475	34,447
Ketchikan Gateway Borough	14,231	15,119	16,428	18,075	19,774
Prince/Wales-Outer Ketchikan	6,884	7,067	7,281	7,485	7,611
Sitka Borough	8,779	8,590	8,409	8,226	7,978
Skagway-Hoonah-Angoon C.A.	3,664	3,563	3,459	3,328	3,140
Wrangell-Petersburg C.A.	7,205	7,045	6,866	6,706	6,502
Yakutat Borough	810	920	1,055	1,206	1,378
Southwest Region	38,483	41,481	44,947	48,932	53,349
Aleutians East Borough	2,177	2,040	1,918	1,784	1,738
Aleutians West Census Area	5,389	5,665	5,908	6,097	6,242
Bethel Census Area	15,997	17,438	19,092	21,043	23,192
Bristol Bay Borough	1,297	1,405	1,506	1,621	1,734
Dillingham Census Area	4,708	5,027	5,394	5,842	6,327
Lake & Peninsula Borough	1,852	1,962	2,128	2,282	2,439
Wade Hampton Census Area	7,063	7,944	9,000	10,263	11,677

C.A. = Census Area

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

and older is expected to have leapt to 92,356, up from 32,729 in 1998. Older Alaskans will comprise almost 12 percent of the total population in 2018, up from 5.3% in 1998.

The Municipality of Anchorage should see the largest increase in older Alaskans (+23,412) followed by Matanuska-Susitna Borough (+7,498), Fairbanks North Star Borough (+6,246), Kenai Peninsula Borough (+6,089), Juneau Borough (+3,319), Ketchikan Borough (+2,077), Valdez-Cordova Census Area (+1,143), and Kodiak Island Borough (+1,006). Together, these areas should account for 85 percent of the growth in the senior population in the next 20 years.

About these projections

Projections usually are prepared for low, middle and high scenarios. This article presents the middle, or most likely, series projections. The low and high series not presented here define the +/- 95% confidence intervals for historical birth and migration trends, the range within which future data can reasonably be expected to fall. Of course, the occurrence of a single historical event, such as emergence or loss of a major industry, cannot be foreseen and can dramatically impact the growth or decline of an area at any time.

Variables affecting population change — mortality, fertility and migration

A summary of the assumptions used to produce these projections follows. The middle series of projections answers the question, "What would Alaska's population look like if people are born, move and die according to the patterns they have followed over the recent historical past?" The projections presented here are not intended to be a short term forecast and are better viewed as the underlying population trend for an area, assuming the general economic activity of an area during the last couple of decades remains unchanged. The impact of changes in the economy is reserved for later sets of projections. The assumptions for mortality, fertility and migration are discussed in greater detail in the statewide projections article published in the September/October 1998 *Alaska Economic Trends.*

The rate of change in mortality as a component of population change is assumed to maintain the same pace as that of the nation overall. Changes in life expectancy, barring a catastrophic epidemic, generally have a limited impact on projections.

Population Projections Ages 5-17 2
Middle series by labor market area to year 2018

Labor Market Area	July 1 1998 Estimate	July 1 2003	July 1 2008	July 1 2013	July 1 2018
ALASKA	144,767	149,307	147,811	151,044	163,411
Anchorage/Mat-Su Region	70,900	74,948	73,696	74,066	79,328
Municipality of Anchorage	56,621	60,261	57,465	54,651	55,017
Matanuska-Susitna Borough	14,279	14,687	16,231	19,415	24,311
Gulf Coast Region	17,322	16,786	16,795	17,802	19,683
Kenai Peninsula Borough	11,729	11,307	11,691	12,876	14,642
Kodiak Island Borough	3,264	3,376	3,261	3,164	3,223
Valdez-Cordova C.A.	2,329	2,103	1,843	1,762	1,818
Interior Region	22,703	23,376	23,116	23,030	23,631
Denali Borough	393	348	353	357	395
Fairbanks North Star Borough	18,840	19,822	19,676	19,630	20,031
Southeast Fairbanks C.A.	1,593	1,599	1,702	1,828	1,999
Yukon-Koyukuk C.A.	1,877	1,607	1,385	1,215	1,206
Northern Region	7,163	7,422	7,742	8,542	10,152
Nome Census Area	2,731	2,858	3,021	3,311	3,865
North Slope Borough	2,232	2,306	2,399	2,715	3,338
Northwest Arctic Borough	2,200	2,258	2,322	2,516	2,949
Southeast Region	16,022	15,051	14,287	14,620	15,823
Haines Borough	503	451	452	483	518
Juneau Borough	6,313	6,040	5,881	6,111	6,578
Ketchikan Gateway Borough	2,998	3,100	3,144	3,447	4,060
Prince Of Wales-Outer Ketchikan	1,637	1,495	1,389	1,415	1,494
Sitka Borough	1,853	1,639	1,444	1,334	1,320
Skagway-Hoonah-Angoon C.A.	839	659	544	481	462
Wrangell-Petersburg C.A.	1,682	1,467	1,239	1,156	1,170
Yakutat Borough	197	200	194	193	221
Southwest Region	10,657	11,724	12,175	12,984	14,794
Aleutians East Borough	500	429	315	257	244
Aleutians West C.A.	876	1,031	870	663	615
Bethel Census Area	4,693	5,215	5,585	6,083	6,934
Bristol Bay Borough	325	360	366	386	439
Dillingham Census Area	1,302	1,404	1,396	1,442	1,629
Lake & Peninsula Borough	542	517	537	605	702
Wade Hampton Census Area	2,419	2,768	3,106	3,548	4,231

C.A. = Census Area

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

3 Population Projections Ages 65 and Over

Middle series by labor market area to year 2018

Labor Market Area	July 1 1998 Estimate	July 1 2003	July 1 2008	July 1 2013	July 1 2018
ALASKA	32,729	40,379	52,298	69,555	92,356
Anchorage/Mat-Su Region	15,692	19,953	26,279	35,210	46,602
Municipality of Anchorage	12,703	16,146	21,134	28,056	36,115
Matanuska-Susitna Borough	2,989	3,807	5,145	7,154	10,487
Gulf Coast Region	4,447	5,362	6,913	9,347	12,685
Kenai Peninsula Borough	3,229	3,904	5,022	6,797	9,318
Kodiak Island Borough	609	723	913	1,215	1,615
Valdez-Cordova C.A.	609	735	978	1,335	1,752
Interior Region	4,400	5,305	6,914	9,074	12,337
Denali Borough	57	100	184	281	501
Fairbanks North Star Borough	3,520	4,224	5,472	7,195	9,766
Southeast Fairbanks C.A.	365	471	675	880	1,157
Yukon-Koyukuk C.A.	458	510	583	718	913
Northern Region	1,211	1,424	1,680	2,118	2,639
Nome Census Area	544	617	696	851	1,040
North Slope Borough	299	408	540	711	917
Northwest Arctic Borough	368	399	444	556	682
Southeast Region	5,189	6,201	7,930	10,598	13,869
Haines Borough	246	277	328	436	610
Juneau Borough	1,821	2,167	2,802	3,903	5,140
Ketchikan Gateway Borough	1,134	1,316	1,735	2,398	3,211
Prince Of Wales-Outer Ketchikan	354	501	715	919	1,242
Sitka Borough	700	868	1,053	1,295	1,609
Skagway-Hoonah-Angoon C.A.	238	311	404	511	629
Wrangell-Petersburg C.A.	652	703	811	1,019	1,251
Yakutat Borough	44	58	82	117	177
Southwest Region	1,790	2,134	2,582	3,208	4,224
Aleutians East Borough	92	142	180	223	345
Aleutians West C.A.	108	160	266	451	665
Bethel Census Area	835	946	1,129	1,348	1,726
Bristol Bay Borough	46	56	84	104	144
Dillingham C.A.	247	282	343	424	575
Lake & Peninsula Borough	107	116	140	157	202
Wade Hampton C.A.	355	432	440	501	567

C.A. = Census Area

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

Fertility, the childbearing performance of individuals, couples, groups or a population, is trended through the use of age/race-specific birth rates for each borough or census area. Alaska's fertility is not assumed to converge toward the national average, nor is it likely to follow the national pattern into the future. Fertility historically has had the greatest impact on Alaska's population growth, and will continue to do so.

Migration occurs as people move to or from a permanent residence. While much movement is influenced by employment and the economy, the relationships and the timing of migration relative to economic and life cycle events are complex. Migration trends reflect the experience of the 1990's. A special effort was made to filter out the influence of the impact of recent military base downsizing and closures and the impact of timber mill closures on the long term migration for census areas. However, the Ketchikan pulp mill closure was so recent that it may not have been possible to adequately reflect its impact on the projections for Ketchikan Gateway Borough. The result may be overly optimistic projections for the borough. The impact of sudden surges or declines due to migration is best addressed in the alternative high and low economic projections series not presented here.

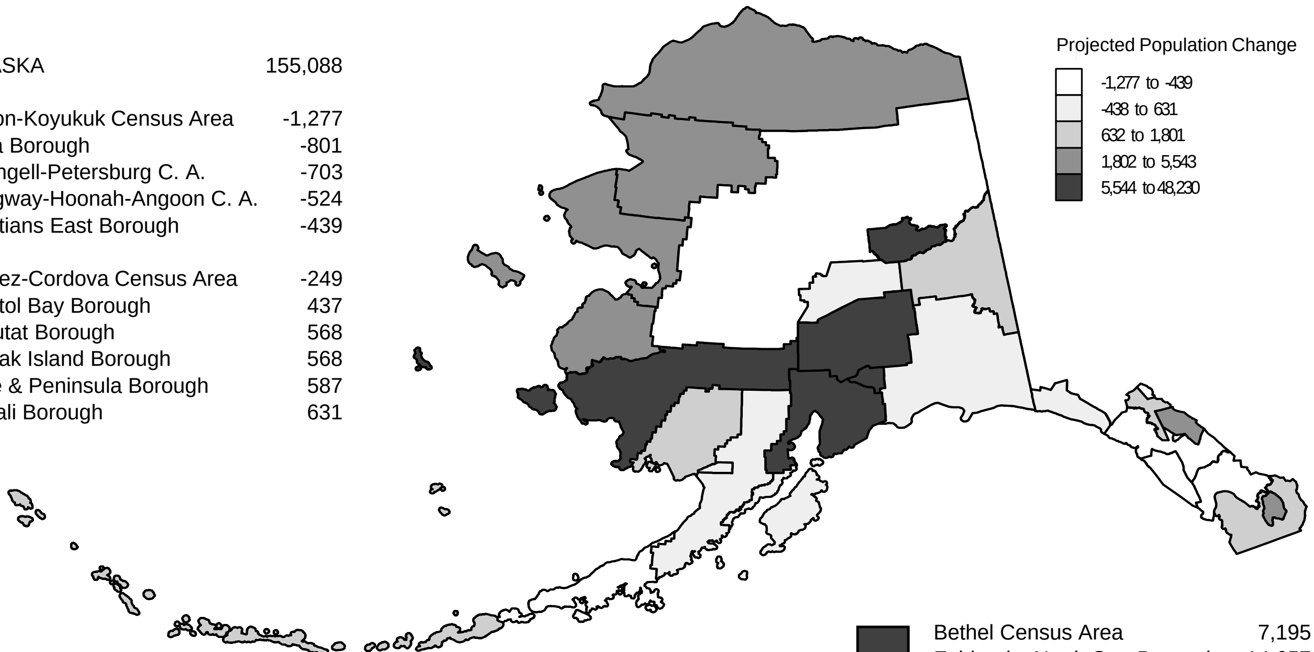
Population Projections by Borough/Census Area 4

Projected changes 1998 to 2018

ALASKA	155,088

Yukon-Koyukuk Census Area	-1,277
Sitka Borough	-801
Wrangell-Petersburg C. A.	-703
Skagway-Hoonah-Angoon C. A.	-524
Aleutians East Borough	-439

Valdez-Cordova Census Area	-249
Bristol Bay Borough	437
Yakutat Borough	568
Kodiak Island Borough	568
Lake & Peninsula Borough	587
Denali Borough	631



Bethel Census Area	7,195
Fairbanks North Star Borough	14,657
Kenai Peninsula Borough	15,490
Municipality of Anchorage	40,093
Matanuska-Susitna Borough	48,230

Haines Borough	670
Prince Of Wales-Outer Ketchikan	727
Aleutian West Census Area	853
Dillingham Census Area	1,619
Southeast Fairbanks C.A.	1,801

Northwest Arctic Borough	2,654
Nome Census Area	3,125
Juneau Borough	4,211
Wade Hampton Census Area	4,614
North Slope Borough	4,808
Ketchikan Gateway Borough	5,543

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

More population information at the Department of Labor Internet site

Detailed population projection tables are available on the the Alaska Department of Labor Internet site at

http://www.labor.state.ak.us/research/pop/popmain.htm.

The Internet tables show projected population by selected age groups and components of change for labor market areas from 1998 to 2018 for each five-year period. These projections are built upon the birth, death and migration experience for boroughs and census areas during the1990s, excluding the impact of extreme economic events. Alternative economic scenarios will be considered in the next round of population projections.

Detailed statewide population projections by single year of age were published in the September/October issue of *Alaska Economic Trends*, available on the Internet at

http://www.labor.state.ak.us/trends/sep98.pdf.

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Employment Growth Continues to Slow

Oil industry losses grow

Alaska Employment Scene

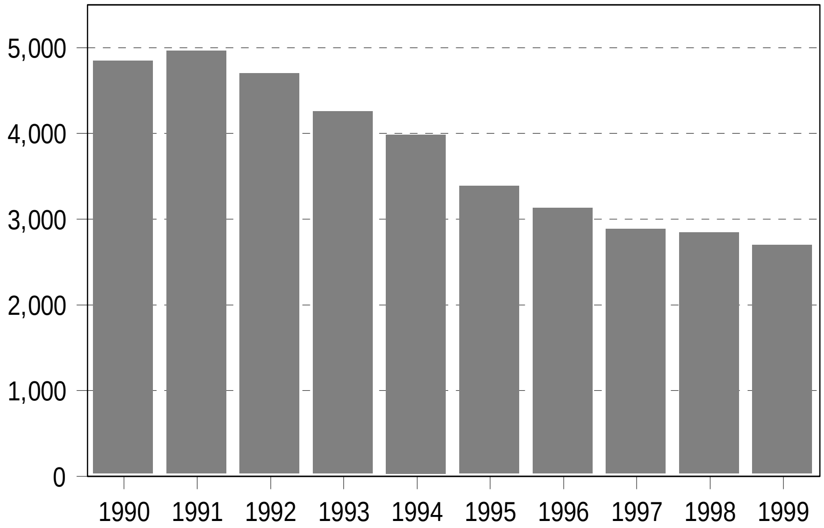
by
Neal Fried
Labor Economist

Wage and salary employment grew 3,000 jobs in April to 270,500. (See Exhibit 3.) Alaska's job count showed a 0.8% gain compared to April of 1998, significantly slower than the 2.6% growth rate posted during 1998. In 1998, nearly every industry was running in the black. In 1999, however, the economic picture has blurred. At the moment, year-to-year declines are limited to the oil and seafood processing industries. The seafood processing downturn may just be temporary but the oil industry's job losses will grow. In addition, nearly every other industry's growth has slowed when compared to last year's stellar performance.

Even with this sharp slowdown in employment growth, unemployment remains low. April's unemployment rate of 6.0% is slightly higher than last year's record low of 5.8% but still represents the second lowest jobless rate ever recorded for the month of April. (See Exhibit 6.) The number of unemployment claims paid in April was up 2.8% over last year's level but was still coming in below 1997's numbers. The one industry that stood out in the unemployment claims data was oil, where the number of claims tied to the petroleum industry was more than double year-ago levels. This is not surprising given that industry's woes.

1 Oil Producers' Employment Declines Steadily over the decade

April employment in Alaska



Source: Alaska Department of Labor, Research and Analysis Section

Oil patch losses grow

During the first quarter of this year, nearly all of the employment losses in the oil industry came from oil field services, but by April the oil producers also began losing ground. (See Exhibit 1.) More than half of the British Petroleum (BP)-Amoco layoff of about 200 employees showed in April's employment statistics. This trend of layoffs will continue if the merger of BP-Amoco and ARCO is given the go-ahead. If these companies join forces it is expected that at least another 400 to 500 oil producer workers will lose their jobs. Many observers believe this estimate is conservative.

Oil losses hit hard at wages and Anchorage/Mat-Su and Kenai Peninsula

In light of the absolute size of Alaska's workforce (in April there were 270,500 wage and salary jobs), these job losses look small. From an earnings standpoint, however, the impact is considerably larger because the oil producers' wages are the highest in the state. The average annual oil producer wage in Alaska in 1998 was $115,294 compared to $33,167 for the average total industries wage. So, in a sense, each one of these oil producer jobs is worth nearly three and a half "average" jobs in the economy. And in an era where higher paying jobs are in short supply, these losses are felt that much more. (See Exhibit 2.) Geographically, Anchorage will be hardest hit since it is home to more than half of the combined BP-Amoco and ARCO workforce of approximately 2,600. These losses will also be felt on the Kenai Peninsula and in the Mat-Su Valley where 11 percent and eight percent of these workers reside, respectively.

There is some good oil news

The recent run-up in oil prices to the $14-16 per barrel range has been good news in the oil patch. Although higher prices will not prevent the already slated industry cutbacks, they could certainly brighten future prospects. BP-Amoco has been the source of two other pieces of good news. The Badami field is being brought back on-line after having problems with its wells. More significantly, the construction of modules for the North Star Project is back on track. Permitting problems had delayed the project. This work is about to resume and will be completed in 2001. The North Star construction workforce will peak at 200. From a timing perspective, this project will dovetail nicely with ARCO's soon-to-be-completed Alpine module construction project.

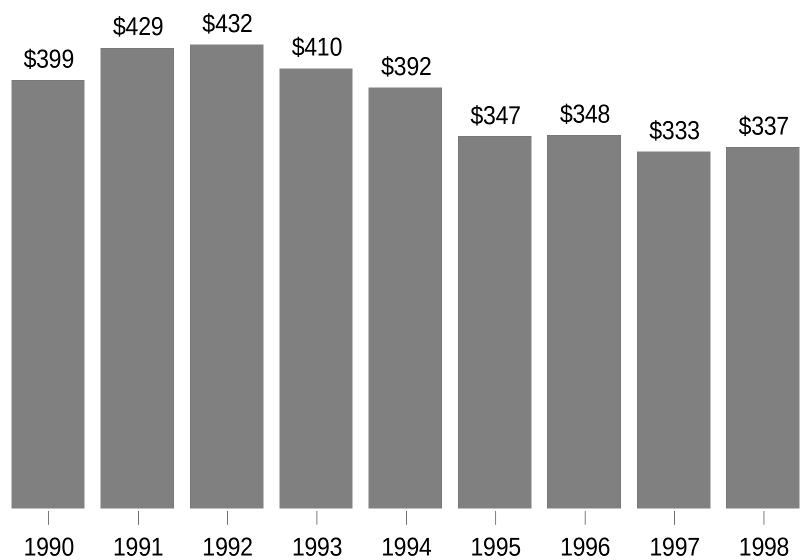
Construction is providing stability

Despite bad news from the oil patch, the construction industry remains healthy. In April, construction employment continued to enjoy over-the-year gains. Construction activity is an important barometer of the economy, and its strong performance is providing some much-needed stability. As one of the state's better paying industries, its health also helps to soften oil industry losses. Publicly funded construction, especially an increase in federal funding, is playing a more prominent role. Another $170 million was added to an already long list of construction projects around the state when Anchorage voters recently approved a school bond package. A $20 million contract for the new state courthouse in Fairbanks recently came in as the low bid.

Not all construction activity is in the public domain, however. A number of retail-related construction projects are either in progress or

(continued on page 18)

And Their Payrolls Have Fallen 2
Oil producers' annual payroll in millions



Source: Alaska Department of Labor, Research and Analysis Section

3 Nonagricultural Wage and Salary Employment
by Place of Work

Alaska

	preliminary 4/99	revised 3/99	4/98	Changes from: 3/99	4/98
Total Nonag. Wage & Salary	270,500	267,500	268,400	3,000	2,100
Goods-producing	34,500	35,400	35,800	-900	-1,300
Service-producing	236,000	232,100	232,600	3,900	3,400
Mining	9,300	9,600	10,100	-300	-800
Oil & Gas Extraction	7,800	8,100	8,600	-300	-800
Construction	11,800	10,800	11,700	1,000	100
Manufacturing	13,400	15,000	14,000	-1,600	-600
Durable Goods	2,700	2,300	2,700	400	0
Lumber & Wood Products	1,600	1,300	1,600	300	0
Nondurable Goods	10,700	12,700	11,300	-2,000	-600
Seafood Processing	8,000	10,000	8,600	-2,000	-600
Transportation/Comm/Utilities	24,700	24,300	24,400	400	300
Trucking & Warehousing	2,900	2,800	2,800	100	100
Water Transportation	1,700	1,600	1,700	100	0
Air Transportation	9,000	9,000	8,900	0	100
Communications	4,400	4,300	4,300	100	100
Electric, Gas & Sanitary Svcs.	2,500	2,400	2,500	100	0
Trade	55,400	53,800	54,500	1,600	900
Wholesale Trade	8,800	8,700	8,800	100	0
Retail Trade	46,600	45,100	45,700	1,500	900
Gen. Merchandise & Apparel	8,800	8,600	8,500	200	300
Food Stores	6,900	6,900	6,900	0	0
Eating & Drinking Places	15,900	15,000	15,500	900	400
Finance/Insurance/Real Estate	12,400	12,400	12,200	0	200
Services & Misc.	67,800	66,500	66,500	1,300	1,300
Hotels & Lodging Places	5,600	5,300	5,500	300	100
Business Services	8,600	8,400	8,600	200	0
Health Services	15,400	15,400	14,900	0	500
Legal Services	1,600	1,600	1,700	0	-100
Social Services	7,800	7,700	7,500	100	300
Engineering & Mgmt. Svcs.	7,800	7,600	7,800	200	0
Government	75,700	75,100	75,000	600	700
Federal	16,700	16,500	16,900	200	-200
State	22,600	22,200	22,100	400	500
Local	36,400	36,400	36,000	0	400

Municipality of Anchorage

	preliminary 4/99	revised 3/99	4/98	Changes from: 3/99	4/98
Total Nonag. Wage & Salary	129,100	127,800	126,500	1,300	2,600
Goods-producing	10,600	10,300	10,500	300	100
Service-producing	118,500	117,500	116,000	1,000	2,500
Mining	2,400	2,600	2,600	-200	-200
Oil & Gas Extraction	2,200	2,400	2,400	-200	-200
Construction	6,200	5,700	5,900	500	300
Manufacturing	2,000	2,000	2,000	0	0
Transportation/Comm/Utilities	13,200	13,000	12,900	200	300
Air Transportation	5,900	5,800	5,700	100	200
Communications	2,600	2,600	2,500	0	100
Trade	30,900	30,700	30,400	200	500
Wholesale Trade	6,400	6,400	6,500	0	-100
Retail Trade	24,500	24,300	23,900	200	600
Gen. Merchandise & Apparel	4,500	4,400	4,300	100	200
Food Stores	2,900	2,900	2,900	0	0
Eating & Drinking Places	8,700	8,700	8,500	0	200
Finance/Insurance/Real Estate	7,400	7,400	7,400	0	0
Services & Misc.	37,500	36,900	36,400	600	1,100
Hotels & Lodging Places	2,500	2,400	2,500	100	0
Business Services	6,400	6,100	6,300	300	100
Health Services	8,200	8,200	7,800	0	400
Legal Services	1,200	1,200	1,200	0	0
Social Services	3,700	3,600	3,500	100	200
Engineering & Mgmt. Svcs.	5,500	5,500	5,700	0	-200
Government	29,500	29,500	28,900	0	600
Federal	9,900	9,900	9,900	0	0
State	8,800	8,800	8,400	0	400
Local	10,800	10,800	10,600	0	200

Notes to Exhibits 3, 4, & 5—Nonagricultural excludes self-employed workers, fishers, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska.

Exhibits 3 & 4—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 5—Prepared in part with funding from the Employment Security Division.

Source: Alaska Department of Labor, Research and Analysis Section

4 Hours and Earnings
for Selected Industries

	Average Weekly Earnings preliminary 4/99	revised 3/99	4/98	Average Weekly Hours preliminary 4/99	revised 3/99	4/98	Average Hourly Earnings preliminary 4/99	revised 3/99	4/98
Mining	$1,203.67	$1,260.27	$1,362.28	46.1	49.5	49.7	$26.11	$25.46	$27.41
Construction	1,223.60	1,170.00	1,157.72	47.5	46.3	45.1	25.76	25.27	25.67
Manufacturing	477.46	574.05	496.25	41.7	53.8	43.8	11.45	10.67	11.33
Seafood Processing	340.80	520.95	378.56	40.0	57.5	44.8	8.52	9.06	8.45
Transportation/Comm/Utilities	635.15	636.65	645.66	34.5	34.1	34.0	18.41	18.67	18.99
Trade	429.99	421.50	417.32	33.0	32.2	33.2	13.03	13.09	12.57
Wholesale Trade	621.10	614.43	626.62	36.6	36.4	37.5	16.97	16.88	16.71
Retail Trade	395.60	385.28	377.46	32.4	31.4	32.4	12.21	12.27	11.65
Finance/Insurance/Real Estate	576.21	568.93	541.80	36.4	36.8	36.0	15.83	15.46	15.05

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

Benchmark: March 1998
Source: Alaska Department of Labor, Research and Analysis Section

5 Nonagricultural Wage and Salary Employment
by Place of Work

Fairbanks North Star Borough

	preliminary 4/99	revised 3/99	4/98	Changes from: 3/99	Changes from: 4/98
Total Nonag. Wage & Salary	32,800	31,600	31,950	1,200	850
Goods-producing	2,900	2,600	2,700	300	200
Service-producing	29,900	29,000	29,250	900	650
Mining	800	800	700	0	100
Construction	1,550	1,300	1,450	250	100
Manufacturing	550	500	550	50	0
Transportation/Comm/Utilities	2,900	2,850	2,800	50	100
Trucking & Warehousing	550	550	600	0	-50
Air Transportation	700	700	700	0	0
Communications	450	400	450	50	0
Trade	6,800	6,700	6,700	100	100
Wholesale Trade	900	900	850	0	50
Retail Trade	5,900	5,800	5,850	100	50
Gen. Merchandise & Apparel	1,100	1,100	1,150	0	-50
Food Stores	700	700	700	0	0
Eating & Drinking Places	2,100	2,050	2,000	50	100
Finance/Insurance/Real Estate	1,100	1,100	1,050	0	50
Services & Misc.	7,900	7,750	7,850	150	50
Hotels & Lodging Places	750	750	700	0	50
Health Services	1,900	1,900	1,850	0	50
Government	11,200	10,600	10,850	600	350
Federal	3,200	3,050	3,250	150	-50
State	4,900	4,500	4,700	400	200
Local	3,100	3,050	2,900	50	200

Southeast Region

Total Nonag. Wage & Salary	34,150	32,700	33,950	1,450	200
Goods-producing	4,500	3,850	4,700	650	-200
Service-producing	29,650	28,850	29,250	800	400
Mining	350	350	350	0	0
Construction	1,400	1,250	1,600	150	-200
Manufacturing	2,750	2,250	2,750	500	0
Durable Goods	1,400	1,050	1,450	350	-50
Lumber & Wood Products	1,150	850	1,200	300	-50
Nondurable Goods	1,350	1,200	1,300	150	50
Seafood Processing	1,000	900	950	100	50
Transportation/Comm/Utilities	2,600	2,450	2,550	150	50
Trade	6,000	5,750	6,000	250	0
Wholesale Trade	600	600	600	0	0
Retail Trade	5,400	5,150	5,400	250	0
Food Stores	1,300	1,250	1,300	50	0
Finance/Insurance/Real Estate	1,400	1,400	1,300	0	100
Services & Misc.	7,050	6,750	7,000	300	50
Health Services	1,650	1,650	1,650	0	0
Government	12,600	12,500	12,400	100	200
Federal	1,750	1,650	1,750	100	0
State	5,500	5,500	5,450	0	50
Local	5,350	5,350	5,200	0	150

Northern Region

Total Nonag. Wage & Salary	14,850	15,000	16,000	-150	-1,150
Goods-producing	4,850	5,050	5,950	-200	-1,100
Service-producing	10,000	9,950	10,050	50	-50
Mining	4,300	4,400	5,100	-100	-800
Oil & Gas Extraction	3,900	4,000	4,700	-100	-800
Government	4,400	4,400	4,550	0	-150
Federal	150	150	150	0	0
State	300	300	300	0	0
Local	3,950	3,950	4,100	0	-150

Interior Region

	preliminary 4/99	revised 3/99	4/98	Changes from: 3/99	Changes from: 4/98
Total Nonag. Wage & Salary	38,050	36,400	37,250	1,650	800
Goods-producing	3,250	2,950	3,000	300	250
Service-producing	34,800	33,450	34,250	1,350	550
Mining	1,000	950	950	50	50
Construction	1,650	1,450	1,500	200	150
Manufacturing	600	550	550	50	50
Transportation/Comm/Utilities	3,400	3,350	3,350	50	50
Trade	7,850	7,350	7,700	500	150
Finance/Insurance/Real Estate	1,150	1,150	1,100	0	50
Services & Misc.	8,900	8,600	8,850	300	50
Hotels & Lodging Places	900	850	800	50	100
Government	13,500	13,000	13,250	500	250
Federal	3,750	3,700	3,900	50	-150
State	5,150	4,750	4,950	400	200
Local	4,600	4,550	4,400	50	200

Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	140,850	139,100	138,050	1,750	2,800
Goods-producing	11,650	11,100	11,450	550	200
Service-producing	129,200	128,000	126,600	1,200	2,600
Mining	2,450	2,600	2,600	-150	-150
Construction	7,050	6,450	6,750	600	300
Manufacturing	2,150	2,050	2,100	100	50
Transportation/Comm/Utilities	14,250	13,950	14,000	300	250
Trade	33,800	33,500	33,150	300	650
Finance/Insurance/Real Estate	7,900	7,900	7,900	0	0
Services & Misc.	40,650	40,050	39,400	600	1,250
Government	32,600	32,600	32,150	0	450
Federal	10,000	10,050	10,050	-50	-50
State	9,600	9,600	9,300	0	300
Local	13,000	12,950	12,800	50	200

Southwest Region

Total Nonag. Wage & Salary	17,300	19,150	17,800	-1,850	-500
Goods-producing	4,800	6,550	5,300	-1,750	-500
Service-producing	12,500	12,600	12,500	-100	0
Seafood Processing	4,650	6,350	5,150	-1,700	-500
Government	5,900	5,800	5,850	100	50
Federal	350	350	350	0	0
State	500	500	500	0	0
Local	5,050	4,950	5,000	100	50

Gulf Coast Region

Total Nonag. Wage & Salary	25,500	25,150	25,450	350	50
Goods-producing	5,350	5,700	5,500	-350	-150
Service-producing	20,150	19,450	19,950	700	200
Mining	1,200	1,250	1,150	-50	50
Oil & Gas Extraction	1,200	1,250	1,150	-50	50
Construction	950	850	1,000	100	-50
Manufacturing	3,200	3,600	3,350	-400	-150
Seafood Processing	2,250	2,650	2,350	-400	-100
Transportation/Comm/Utilities	2,250	2,200	2,350	50	-100
Trade	5,050	4,700	4,900	350	150
Wholesale Trade	550	550	550	0	0
Retail Trade	4,500	4,150	4,350	350	150
Eating & Drinking Places	1,450	1,300	1,450	150	0
Finance/Insurance/Real Estate	750	700	750	50	0
Services & Misc.	5,300	5,100	5,150	200	150
Health Services	1,050	1,050	1,050	0	0
Government	6,800	6,750	6,800	50	0
Federal	650	600	700	50	-50
State	1,600	1,600	1,600	0	0
Local	4,550	4,550	4,500	0	50

6 Unemployment Rates
by Region and Census Area

Not Seasonally Adjusted	Percent Unemployed preliminary 4/99	revised 3/99	4/98
United States	4.1%	4.4%	4.1%
Alaska Statewide	6.0	7.2	5.8
Anch/Mat-Su Region	4.8	5.6	4.6
Municipality of Anchorage	4.2	4.8	4.1
Mat-Su Borough	7.9	9.5	7.0
Gulf Coast Region	9.6	11.2	9.3
Kenai Peninsula Borough	11.2	13.4	10.5
Kodiak Island Borough	5.5	5.1	5.2
Valdez-Cordova	8.6	9.9	9.7
Interior Region	6.2	7.8	6.1
Denali Borough	7.7	11.0	7.1
Fairbanks North Star Borough	5.6	6.9	5.5
Southeast Fairbanks	10.4	14.1	10.7
Yukon-Koyukuk	14.7	16.4	13.2
Northern Region	9.3	9.7	7.2
Nome	10.8	11.0	8.6
North Slope Borough	6.3	6.7	4.0
Northwest Arctic Borough	11.7	12.1	10.1
Southeast Region	6.6	9.1	6.7
Haines Borough	14.5	17.6	11.3
Juneau Borough	4.6	6.0	4.8
Ketchikan Gateway Borough	7.5	10.2	7.4
Prince of Wales-Outer Ketchikan	12.8	19.2	10.8
Sitka Borough	4.4	6.0	4.7
Skagway-Hoonah-Angoon	6.3	9.0	8.1
Wrangell-Petersburg	8.5	12.5	9.2
Yakutat Borough	5.9	7.1	14.8
Southwest Region	7.9	7.6	6.9
Aleutians East Borough	2.3	1.7	2.3
Aleutians West	4.4	3.4	4.5
Bethel	8.0	7.7	7.0
Bristol Bay Borough	8.5	11.0	6.8
Dillingham	8.1	7.2	5.8
Lake & Peninsula Borough	8.1	9.3	9.1
Wade Hampton	15.3	15.4	13.1
Seasonally Adjusted			
United States	4.3	4.2	4.3
Alaska Statewide	5.9	6.3	5.6

1998 Benchmark
Comparisons between different time periods are not as meaningful as other time series produced by Research and Analysis. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. They are considered not in the labor force.

Source: Alaska Department of Labor, Research and Analysis Section

(continued from page 15)

soon will be. A new Fred Meyers store in Wasilla and two new Office Depots in Anchorage are currently underway. Ground will soon be broken for new Wal-Marts in Eagle River and Wasilla.

The only sector of the construction industry that is looking weaker over the year is residential. After a strong performance last year, there are signs of a slowdown in Anchorage/Mat-Su, the state's largest real estate market. Troubles in the oil patch are being blamed. Residential building permits for single-family homes in Anchorage for the first five months of the year have fallen from 504 for 1998 to 349 for 1999. Likewise, most other parts of the state are expecting little growth in residential activity. Other segments in the construction industry should remain busy, however, and provide a strong construction season.

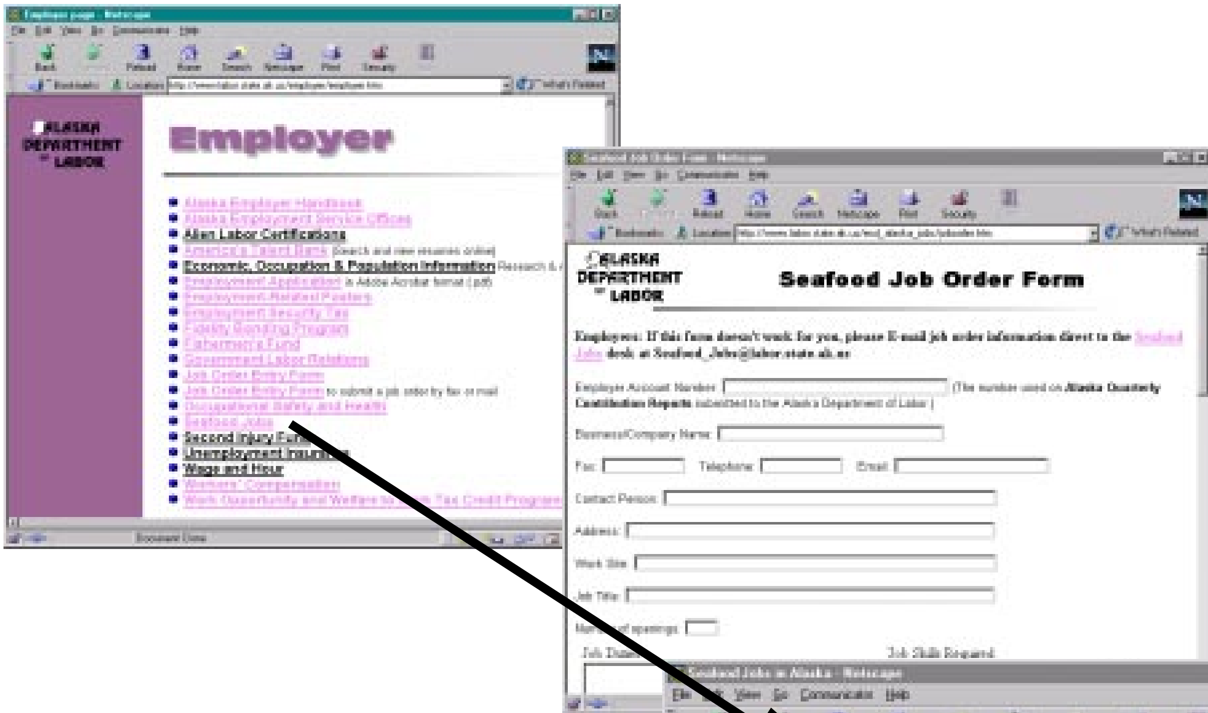
Copper River fishery gets salmon season off to a good start

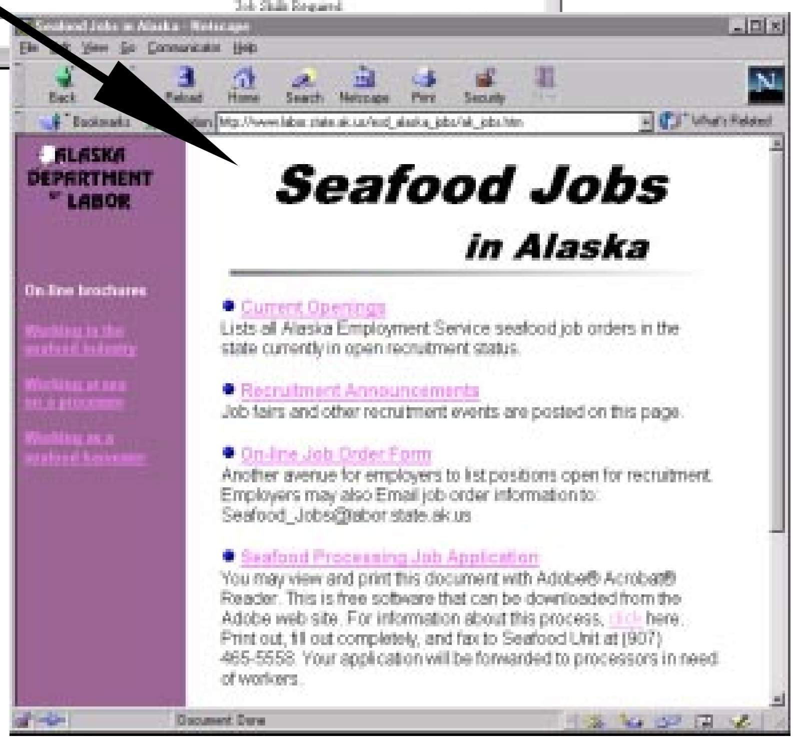
Alaska's first major salmon harvest, the Copper River fishery, got underway and the preliminary numbers look very good. The harvest thus far is strong. To the rest of the salmon world the price trends are more important and these are also positive. Opening prices for Copper River red salmon began at $1.65 per pound last year and this year the price is $2.60. King salmon sold for $2.55 per pound last year but the price has increased to $5.00 this year. Although these are only preliminary figures, it's a good start for this beleaguered industry.

Lots of new players in the visitor industry

While it is too early to gauge this year's visitor season, it is certain that visitors' choices are growing dramatically. Four new hotels and a cultural center either opened in May or will be opening up in June. The Alaska Native Heritage Center in Anchorage held its opening ceremonies in May, and the center is fully operational with a seasonal staff of at least 120 workers. Also in May, Cook Inlet Region's 99-room Talkeetna Alaska Lodge and the 112-room Hawthorne Suite in Anchorage welcomed their first visitors. In June, the 78-room Holiday Inn Express and the 146-room Residence Inn will begin receiving guests. The combined workforce of these new hotels during the summer months will boost employment in this industry by approximately 140 to 160.

Employer Resource Page





The **Seafood Jobs in Alaska** site is linked to the Alaska Department of Labor's Employer Resource Page, and can also be accessed directly at

http://www.labor.state.ak.us/esd_alaska_jobs/ak_jobs.htm.

Linked to the Seafood Jobs page is an **On-line Job Order Form**. Seafood industry employers may complete the on-line form and submit it electronically to the Seafood Unit, where staff will review it, and contact the employer before posting it. The posted job order will appear on **Current Openings**, linked to the Seafood Jobs page. Current seafood processing and related positions are posted here by location.

Applicants may print out the on-line generic **Seafood Processing Job Application** to apply for seafood jobs.

The **Recruitment Announcements** link allows seafood employers to post recruitments, job fairs and meetings in Alaska.

The site has three brochures on line, covering working in the seafood industry, working at sea on a processor, and working as a seafood harvester. The site also has a link to Seafood Employers and seafood-related links.

The Seafood Unit may be contacted by email at Seafood_Jobs@labor.state.ak.us