



ALASKA ECONOMIC
TRENDS
JUNE 2017

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REDUCE
RECIDIVISM?**

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ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

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**ALASKA DEPARTMENT
of LABOR
and WORKFORCE
DEVELOPMENT**

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ON THE COVER: Westchester Lagoon is a popular area close to downtown Anchorage, just across a small spit of land from the salt water of Cook Inlet. Photo by Flickr user Doug Brown

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Alaska's policy choices help lower poverty rates



Heidi Drygas
Commissioner

This month's *Trends* examines the poverty rate in Alaska and compares it to other states. Alaska is one of the five states with the lowest federal poverty rates. Since the Egan Administration, Alaska has had strong labor laws compared to other states — and those laws, along with other institutional factors, have reduced poverty in our state and strengthened the middle class.

Labor policies vary widely state to state. For example, Alaska's "Little Davis-Bacon Act" requires that state public construction projects pay the "prevailing wage," or the prevailing pay rate for a given trade in a region. This law ensures construction workers earn a living wage. Twenty states do not have prevailing wage laws, including Mississippi, Arkansas, and Louisiana — three of the four states with the highest poverty rates.

Of course, prevailing wage laws for public construction is just one labor policy. Alaska also has a higher-than-average state minimum wage, at \$9.80 per hour, thanks to overwhelming support for a public initiative in 2014. In addition, Alaska has one of the strongest overtime laws in the country, requiring payment of overtime wages for any time worked in excess of eight hours per day or in excess of 40 hours per week. In contrast, many states only require overtime payment for more than 40 hours in a week.

As with public construction, there is a strong correlation between strong minimum wage laws and workers' economic well-being: The four states with the highest poverty rates either don't have state minimum wage laws at all (Louisiana, Mississippi) or have relatively weak minimum wage requirements (Arkansas, New Mexico).

Enforcement of labor laws has a big impact on wages. Once again, Alaska labor laws are stronger than most; employers

who engage in wage theft can be subject to triple damages if they get caught. Unlike federal wage laws or many states that fail to include a monetary penalty for wage theft, Alaska's law provides an incentive to comply with the law.

Our department also vigorously enforces the law. For example, we are in the process of recovering nearly \$1 million in wages for employees of Taco King and Gallos. That's the largest wage theft recovery in our state's history. A recent national study found that approximately 17 percent of low-wage workers are victims of wage theft, and that simply enforcing labor laws would reduce poverty rates for these workers by more than 25 percent. My department is committed to the rule of law, and standing up for all of Alaska's workers.

Worker safety laws have an impact on poverty rates as well. Some states with high poverty rates, such as Oklahoma and Texas, have created massive loopholes in their workers' compensation system, which mean workers have to bear the cost of on-the-job injuries. Sometimes workers can't afford to treat those injuries and are disabled for life. A study by ProPublica called "The Demolition of Workers' Compensation" found that gutting workers' compensation results in more workers being permanently disabled and on welfare. Clearly, those are policies that exacerbate poverty, and Alaska is fortunate to have an intact workers' compensation system.

It is notable that many resource-rich states, such as Texas and Louisiana, have high rates of poverty and inequality. Alaskans are fortunate to have many valuable resources, but resources alone are not enough to create broadly shared prosperity. For that, we also need strong institutions, including labor laws that promote economic security and opportunity for all Alaskans.



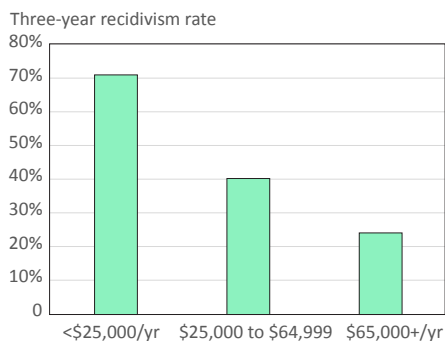
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DOES WORKING REDUCE RECIDIVISM?

How jobs affect the likelihood of returning to prison

1 Wages and Recidivism

ALASKA FELONS RELEASED IN 2012



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Department of Corrections

By YUANCIE LEE

Former inmates face a number of obstacles when re-integrating into society and finding work after their release, and they are highly likely to return to prison. Of the 4,500 Alaska inmates who were released in 2012 after serving time for a felony, 43 percent were reincarcerated within the first year and 66 percent recidivated over the next three years.

About half the inmates we studied found a job at some point in the three years after their release. But simply finding a job usually wasn't enough — finding work fairly quickly and, more importantly, making at least \$25,000 a year considerably reduced the likelihood of returning to prison. (See exhibits 1 and 2.)

Who they are

This article covers 4,500 inmates who were released from an Alaska prison in 2012, all of whom had served time for a felony.

Seventy-nine percent of the released inmates were male, and men had a roughly 6 percent higher recidivism rate overall. Men fared better than women in both employment and average wages after their release, as the adjacent table shows, but women have narrowed the gap slightly in both areas in recent years.

These inmates were also young overall, with 61 percent

	Number	Rate of recidivism	% employed		Average wage	
			2012	2015	2012	2015
Female	908	62%	53%	47%	\$7,520	\$13,546
Male	3,400	68%	56%	48%	\$11,351	\$17,175

under age 35 when they were incarcerated. The younger inmates were more likely to find a job than the older inmates, but they also returned to prison at higher rates, with recidivism declining with each older age group. For example, 74 percent of the 16-to-25-year-olds returned to prison within three years compared to about half of those over age 56.

This analysis looks only at employment's effect on recidivism, but it's important to keep in mind that other factors also play a role — for example, substance abuse, mental health, poverty, extent of criminal history, demographics, and childhood abuse or neglect. For more information, see the sidebar on page 6.

Lower if they found employment quickly

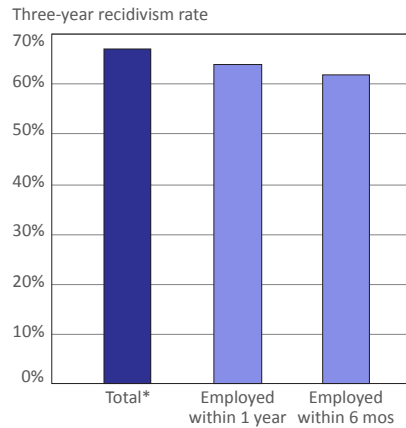
Overall, inmates who worked at some point during the three years after their release returned to prison at a rate of 67 percent, about the same as the overall recidivism rate. But the rate for those who were able to find a job within a year — more than half of them — dropped to 64 percent, and then to 62 percent for the 45 percent who found a job within six months.

For those employed within six months, what they made during their first six months also affected their three-year recidivism rates. If they made less than \$12,500 in those first six months, their recidivism rate was 66 percent. If they were able to earn between \$12,500 and \$32,499, the rate dropped to 43 percent, and for the few who made more than \$32,500 it was 35 percent.

Recidivism rate:
Percent who had been reincarcerated for any offense by 2015, including probation violations.

2 Slightly Lower Rates For Those Who Found a Job Quickly

4,500 ALASKA FELONS RELEASED IN 2012



*Alaska Department of Corrections' published overall rate is 63 percent for those released in fiscal year 2012. See the sidebar below for more about how these rates are calculated and why they differ slightly.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Department of Corrections

How long they kept job mattered

Keeping a job for at least a year was also tied to a lower likelihood of returning to prison, regardless of how long it took to get hired. Among those who got a job and kept it for a full year, 47 percent returned to prison at some point over the period.

Most earned less than \$25,000 per year

Former inmates who averaged less than \$25,000 a year in wages had a particularly high recidivism rate of 71 percent. Once their average annual wages

About this study

This analysis is possible because of a collaboration between the Alaska Department of Corrections and the Alaska Department of Labor and Workforce Development. The Department of Corrections identified 4,500 convicted felons who were released from an Alaska prison in 2012, and the Department of Labor incorporated employment and Alaska Permanent Fund Dividend data to determine how their employment and wages in the three years after release affected their likelihood of returning to prison.

The Department of Corrections' calculation of recidivism is more complex and uses slightly different methods than the simpler calculation done here to look at broad patterns and make comparisons. The Department of Corrections' published recidivism rate for this period — which should be

considered the official recidivism rate — is 63 percent, and the overall rate calculated for this article is 66 percent.

While all of the former inmates were serving time for a felony, these recidivism rates include anyone who was reincarcerated at some point over the three-year period for any offense, including misdemeanors and probation violations.

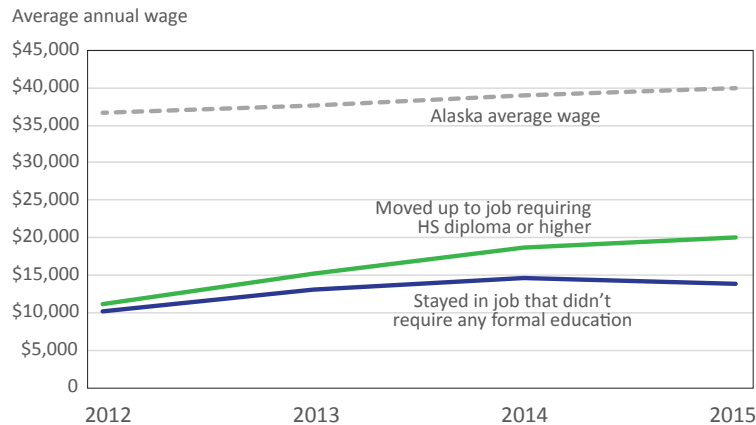
Data limitations

This analysis covers only those who worked for an employer in Alaska after release, so it excludes former inmates who became self-employed, such as fishermen and other contractors. It also excludes federal workers and those who left the state, although the latter number is likely small because a felony record makes it difficult to leave the state where the conviction occurred.

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Wage Growth by Requirements of Job

WHEN STARTING IN JOB WITH NO EDUCATION REQUIREMENTS



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Department of Corrections

Challenges for released inmates and efforts to reduce recidivism

Convicted felons face a number of barriers when released, and finding a job can be a big one. Employers can be reluctant to hire them, and a felony record disqualifies people from many jobs. In some cases, those with a felony conviction can obtain a waiver, but the extra step can further delay or discourage employment.

In 2015, the departments of Corrections, Health and Social Services, and Labor and Workforce Development partnered with the Alaska Court System, Alaska Housing Finance Corporation, and the Alaska Mental Health Trust Authority to develop a plan to reduce recidivism by helping former inmates find stable employment.

The plan includes job training, workshops, and placement services as well as better coordination with education and training providers, including those focusing on apprenticeships. To encourage employers to hire former inmates and reduce their risks, the state's Fidelity Bonding Program and Work Opportunity Tax Credit provide financial incentives.

topped \$25,000, the rate dropped sharply to 40 percent. The lowest recidivism rate was 24 percent for the few who made \$65,000 or more.

But the vast majority of the released inmates made less than \$25,000 a year over that period, with just under 9 percent topping the \$25,000 mark and 1 percent making \$65,000 or more.

Low-skill work meant less advancement

Similarly, the vast majority worked in jobs with few skill or education requirements after their release, with 66 percent in jobs with no formal education requirements and 94 percent working in occupations that required a high school diploma or less. (See Exhibit 4 for more on the occupations they held.)

The former inmates working in the jobs with the lowest requirements also tended not to advance much. By 2015, 44 percent of those who had found one of these jobs within two years of their release were still working in a job with no education requirements, and they weren't earning much more than they had in 2012. The average yearly wage for these inmates grew from just \$10,096 in 2012 to \$13,942 in 2015. (See Exhibit 3.) They were also especially likely to return to prison (73 percent).

Only 15 percent of those working a job with no education requirements in 2012 had moved up by 2015 to a job that required a high school education or higher. These workers increased their average wages by 80 percent over that time, from \$11,182 to

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Most Common First Occupations After Release from Prison

FELONS RELEASED IN 2012: ALASKA JOBS, WAGES, AND RECIDIVISM THROUGH 2015

First occupation within two years after release	Number employed	Recidivism rate, 3-yr	Quarterly avg wage
Construction Laborers	180	71%	\$5,435
Laborers and Freight, Stock, and Material Movers, Hand	165	64%	\$1,831
Combined Food Prep and Serving Workers, Incl Fast Food	138	73%	\$1,912
Dishwashers	106	76%	\$2,117
Cooks, Restaurant	101	73%	\$2,979
Cashiers	95	68%	\$2,203
Meat, Poultry, and Fish Cutters and Trimmers	90	71%	\$2,275
Waiters and Waitresses	78	59%	\$3,308
Janitors and Cleaners, Except Maids/Housekeeping Cleaners	76	68%	\$2,258
Maids and Housekeeping Cleaners	74	64%	\$1,689
Retail Salespersons	73	47%	\$3,560
Food Preparation Workers	70	71%	\$2,602
Carpenters	62	61%	\$6,469
Stock Clerks and Order Fillers	61	71%	\$2,565
Production Workers, All Other	45	69%	\$4,678
Food Preparation and Serving Related Workers, All Other	41	81%	\$2,362
Grounds Maintenance Workers, All Other	41	83%	\$1,440
First-Line Supervisors of Food Prep and Serving Workers	35	66%	\$2,292
Maintenance and Repair Workers, General	35	69%	\$3,972
Landscaping and Groundskeeping Workers	33	67%	\$2,070
Meat, Poultry, and Fish Cutters and Trimmers	33	82%	\$2,624
Automotive Service Technicians and Mechanics	33	67%	\$5,097
Dining Room and Cafeteria Attendants and Bartender Helpers	31	71%	\$2,050
Cooks, Fast Food	30	80%	\$2,003
Tire Repairers and Changers	27	56%	\$3,260
Hotel, Motel, and Resort Desk Clerks	24	54%	\$2,596
Helpers: Installation, Maintenance, and Repair Workers	23	57%	\$4,211
Construction and Related Workers, All Other	21	71%	\$6,102
Plumbers, Pipefitters, and Steamfitters	20	40%	\$11,966
Bakers	20	75%	\$929
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	20	70%	\$1,515
Heavy and Tractor-Trailer Truck Drivers	19	42%	\$5,842
Sales and Related Workers, All Other	18	67%	\$2,122
Office and Administrative Support Workers, All Other	17	41%	\$5,957
Bartenders	17	53%	\$2,383
Cleaners of Vehicles and Equipment	17	59%	\$3,009
Counter Attendants, Cafeteria/Food Concession/Coffee Shop	17	59%	\$1,151
Operating Engrs and Other Construction Equipment Operators	16	63%	\$10,784
Bookkeeping, Accounting, and Auditing Clerks	16	56%	\$2,285
Automotive and Watercraft Service Attendants	15	87%	\$2,316
Cooks, Short Order	15	73%	\$3,098
Laundry and Dry-Cleaning Workers	15	73%	\$2,647
Material Moving Workers, All Other	15	60%	\$3,576
Roofers	15	73%	\$5,666
Roustabouts, Oil and Gas	15	53%	\$13,114
Electricians	14	50%	\$7,943
Gaming and Sports Book Writers and Runners	14	71%	\$1,399
Helpers: Carpenters	14	79%	\$3,457
Painters, Construction and Maintenance	14	50%	\$6,808
Customer Service Representatives	13	54%	\$4,392
Office Clerks, General	13	31%	\$2,809
Helpers, Construction Trades, All Other	13	62%	\$6,336

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Department of Corrections

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Most Found Work in Anchorage or Near Prison

4,500 ALASKA FELONS RELEASED IN 2012

	Number who found a job	Employed		Average wage	
		2012	2015	2012	2015
Anchorage, Municipality	1,055	983	768	\$11,216	\$17,529
Bethel Census Area	171	149	137	\$8,849	\$10,886
Matanuska-Susitna Borough	152	136	116	\$11,383	\$17,783
Fairbanks North Star Borough	145	149	127	\$13,662	\$24,138
Nome Census Area	135	143	127	\$10,188	\$10,224
Kenai Peninsula Borough	125	125	91	\$12,299	\$23,090
Juneau, City and Borough	98	85	62	\$11,374	\$19,600
Kusilvak Census Area	69	69	57	\$6,437	\$9,683
North Slope Borough	49	54	49	\$22,609	\$36,300
Northwest Arctic Borough	45	41	40	\$8,278	\$9,967
Elsewhere in Alaska	180	188	165	\$11,042	\$17,866

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and Alaska Department of Corrections

\$20,133. They were also only 59 percent likely to return to prison.

Many lack the skills to find good jobs after release

Because so few found higher-paying, higher-skill jobs — just 50 of the 4,500 inmates reached the \$65,000 per year mark by 2015 — it’s difficult to conclude these jobs translate directly to staying out of prison. But what is clear by the vast number who worked in low-skill, low-paying jobs is that prisoners tend to lack the skills and opportunities to get good jobs when they’re released.

Of those who were employed during the two years before incarceration, only 7.1 percent had a job that required more than a high school diploma.

While Alaska inmates have varying levels of access to job training, a number of agencies have developed a recidivism plan to provide more training and employ-

ment services. (See the sidebar on page 6 for more information.)

Initial analysis a foundation for more in-depth studies

While this initial data combination showed that a job — but not just any job — played a role in a convicted felon’s likelihood of returning to prison, it also laid the groundwork for a range of more comprehensive future analyses.

Additional years of data will allow us to track employment paths more accurately and in greater detail, and it will also allow us to analyze specific characteristics among those with different outcomes. For example, a future project could look at the 1,500 former inmates who didn’t return to prison — about a third of them — to find out what, if anything, they had in common.

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MEASURING POVERTY

Yearly U.S. measure shows 10.4% of Alaskans live below the line

By **MALI ABRAHAMSON**

According to yearly national poverty data, 10.4 percent of Alaskans lived below the federal poverty threshold in 2015, compared to 14.7 percent nationally.

Alaska's poverty rate was down a full percentage point from the prior year but slightly above the past two decades' average of 9.8 percent. (See Exhibit 1.)

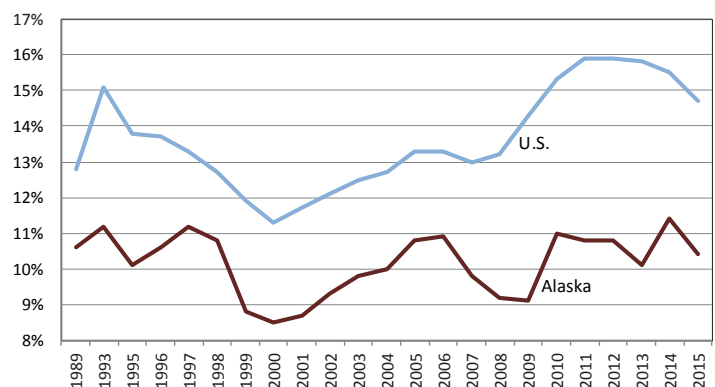
Among states, Alaska had the fourth-lowest poverty rate after New Hampshire, Maryland, and Minnesota. States with the highest poverty rates in 2015 were Mississippi, New Mexico, Louisiana, and Arkansas. (See Exhibit 3.)

Poverty rates are higher everywhere for children. In 2015, 14.5 percent of Alaskans under age 18 and 15.8 percent younger than 5 lived below the threshold. For child poverty, that put Alaska at ninth-lowest among states for everyone under 18 and eighth-lowest for children under 5. (See Exhibit 4.)

Nationally, the rates were 20.7 percent for children under 18 and 22.8 percent for those younger than 5.

1 Alaska Rate Trends Lower Than U.S.

TOTAL POVERTY RATE, 1989 TO 2015



Source: U.S. Census Bureau, *Small Area Income and Poverty Estimates*

Same thresholds apply nationwide

Alaska has historically trended well below the national poverty rate, but because the data source this article uses applies the same poverty thresholds nationwide, Alaska's higher incomes mean lower poverty rates.

Poverty thresholds shouldn't be confused with bene-

2

National Poverty Thresholds for 2015

BY HOUSEHOLD SIZE

Size of family unit	Weighted avg poverty threshold	With related children under 18 years						
		None	One	Two	Three	Four	Five	Six
One person	\$12,082							
Under 65 years	\$12,331	\$12,331	–	–	–	–	–	–
65 years and over	\$11,367	\$11,367	–	–	–	–	–	–
Two people	\$15,391							
Householder under 65 years	\$15,952	\$15,871	\$16,337	–	–	–	–	–
Householder 65 years and over	\$14,342	\$14,326	\$16,275	–	–	–	–	–
Three people	\$18,871	\$18,540	\$19,078	\$19,096	–	–	–	–
Four people	\$24,257	\$24,447	\$24,847	\$24,036	\$24,120	–	–	–
Five people	\$28,741	\$29,482	\$29,911	\$28,995	\$28,286	\$27,853	–	–
Six people	\$32,542	\$33,909	\$34,044	\$33,342	\$32,670	\$31,670	\$31,078	–
Seven people	\$36,998	\$39,017	\$39,260	\$38,421	\$37,835	\$36,745	\$35,473	\$34,077
Eight people	\$41,029	\$43,637	\$44,023	\$43,230	\$42,536	\$41,551	\$40,300	\$38,999
Nine people or more	\$49,177	\$52,493	\$52,747	\$52,046	\$51,457	\$50,490	\$49,159	\$47,956

Source: U.S. Census Bureau, 2015 Small Area Income and Poverty Estimates

About the data

This article's data come from the U.S. Census Bureau's Small Area Income and Poverty Estimates program, or SAIPE, which the bureau established in 1996 to help the U.S. Department of Education determine federal funding allocations for state and local governments. Before SAIPE, no precise yearly poverty measures were available.

SAIPE estimates combine administrative data, postcensal population estimates, and the decennial census with direct estimates from the Census Bureau's American Community Survey to provide single-year estimates of median household income and poverty for all states and county equivalents as well as poverty estimates for school districts. (See Exhibit 8 for poverty rates by Alaska school district.)

The Census Bureau's American Community Survey is another common measure of poverty and the source we used for our February 2012 poverty article, but because ACS is a five-year measure, it isn't comparable to annual SAIPE thresholds. Unlike SAIPE, ACS takes age and area cost-of-living differences into account.

While SAIPE thresholds are the same nationwide, it's important to note that when determining benefit eligibility, many social and economic programs also apply their own poverty guidelines that account for a range of other factors, such as cost of living, pregnancy, age, and rental costs. For example, the U.S. Department of Health and Human Services uses the SAIPE thresholds but applies different poverty guidelines to Alaska and Hawaii. HHS guidelines determine eligibility for programs such as Head Start, the Supplemental Nutrition Assistance Program or SNAP, the National School Lunch Program, the Low-Income Home Energy Assistance Program, and the Children's Health Insurance Program.

Note that margins of error can be large for small places, although when the data used here were cross-checked with more precise administrative data, such as population estimates, they matched well. In Alaska, the larger error range also comes from people misreporting their income on surveys, such as forgetting to include Alaska Permanent Fund Dividends.

fit eligibility, however — agencies using these thresholds as a baseline often add their own guidelines when determining eligibility for benefits or funding allocation.

Poverty thresholds are more of a statistical measure to track changes over time and to look at poverty rates among different groups within a population and, to a lesser degree, between areas. For more on how poverty is measured and how these rates are used, see the sidebar on this page.

Lower-income areas have highest rates

At the county level, states with the highest concentrations of impoverished counties were in the south, with 70 percent of counties in Alabama, Georgia, Louisiana, Mississippi, and New Mexico registering higher-than-average poverty rates.

Eleven of Alaska's 29 boroughs or census areas' poverty rates topped the national average. Western Alaska, which has some of the lowest incomes in the state, had the highest poverty

3

Mississippi Leads States for Rate of Poverty

ALL STATES AND DISTRICT OF COLUMBIA, 2015

Name	Poverty estimate, all ages	Poverty percent, all ages	Poverty estimate, under 18	Poverty percent, under 18	Median household income	Poverty estimate, under age 5	Poverty percent, under age 5
Mississippi	638,919	22.1%	225,347	31.5%	\$40,630	65,706	34.6%
New Mexico	405,364	19.8%	133,471	27.2%	\$45,524	40,192	30.3%
Louisiana	885,846	19.5%	309,187	28.1%	\$45,829	94,525	30.9%
Arkansas	540,733	18.7%	182,238	26.4%	\$42,046	56,199	30.5%
Alabama	875,853	18.5%	288,450	26.5%	\$44,833	84,382	29.4%
Kentucky	786,345	18.3%	250,180	25.3%	\$45,178	75,486	27.9%
West Virginia	322,589	18.0%	91,962	24.7%	\$41,969	28,552	28.2%
District of Columbia	113,185	17.7%	32,947	28.3%	\$73,115	10,892	25.6%
Arizona	1,159,046	17.4%	394,337	24.7%	\$51,473	113,218	27.0%
Georgia	1,705,831	17.2%	610,161	24.7%	\$51,225	174,035	26.9%
South Carolina	796,609	16.8%	260,646	24.4%	\$47,308	73,420	26.1%
Tennessee	1,077,866	16.7%	355,680	24.1%	\$47,243	108,782	27.7%
North Carolina	1,607,249	16.4%	528,760	23.4%	\$47,884	156,403	26.4%
Oklahoma	608,507	16.0%	207,539	22.0%	\$48,595	64,648	24.7%
Texas	4,255,690	15.9%	1,634,149	22.9%	\$55,668	484,428	24.8%
Florida	3,129,061	15.8%	944,415	23.4%	\$49,416	280,519	26.0%
Michigan	1,524,330	15.7%	481,421	22.2%	\$51,063	138,623	24.9%
New York	2,985,604	15.5%	921,512	22.3%	\$60,805	275,702	23.9%
California	5,896,255	15.4%	1,901,985	21.2%	\$64,483	547,759	22.3%
Oregon	601,626	15.2%	167,322	19.8%	\$54,074	50,109	22.4%
Nevada	424,824	14.9%	142,071	21.6%	\$52,544	42,203	24.4%
Missouri	875,704	14.8%	277,687	20.4%	\$50,200	84,223	23.0%
Ohio	1,670,487	14.8%	546,968	21.2%	\$51,086	170,403	25.1%
United States	46,153,077	14.7%	15,000,273	20.7%	\$55,775	4,448,211	22.8%
Idaho	238,646	14.7%	75,056	17.7%	\$48,311	23,270	20.9%
Indiana	924,428	14.4%	314,486	20.4%	\$50,510	95,156	23.2%
Montana	144,634	14.4%	41,503	18.8%	\$49,650	13,432	22.3%
Rhode Island	143,724	14.1%	43,057	20.6%	\$57,265	12,497	23.1%
Illinois	1,702,210	13.6%	557,787	19.1%	\$59,590	163,741	21.3%
South Dakota	111,697	13.5%	36,584	17.7%	\$53,263	12,239	20.5%
Maine	171,266	13.2%	43,683	17.5%	\$51,419	12,196	19.5%
Pennsylvania	1,624,991	13.1%	505,576	19.1%	\$55,683	146,932	21.0%
Kansas	366,069	12.9%	119,994	16.9%	\$53,802	38,465	19.8%
Delaware	115,655	12.6%	38,446	19.1%	\$61,327	11,404	20.7%
Washington	860,734	12.2%	248,383	15.7%	\$64,080	73,455	16.8%
Nebraska	224,696	12.2%	73,349	15.9%	\$55,073	22,837	17.8%
Iowa	366,453	12.1%	106,192	14.9%	\$54,843	31,492	16.3%
Wisconsin	679,937	12.1%	209,382	16.5%	\$55,623	63,928	19.1%
Colorado	614,410	11.5%	183,216	14.8%	\$63,945	55,162	16.7%
Massachusetts	752,453	11.5%	203,789	14.9%	\$70,659	59,018	16.4%
Virginia	914,226	11.2%	275,747	15.0%	\$66,263	82,761	16.4%
Utah	331,233	11.2%	115,511	12.8%	\$62,961	36,805	14.9%
New Jersey	945,989	10.8%	306,606	15.5%	\$72,337	89,504	17.3%
North Dakota	78,613	10.7%	20,716	12.1%	\$61,674	7,437	14.3%
Hawaii	149,091	10.7%	44,299	14.5%	\$73,097	13,836	15.4%
Wyoming	60,787	10.6%	17,725	13.0%	\$61,213	5,977	15.8%
Connecticut	367,867	10.6%	110,143	14.6%	\$71,333	30,085	16.4%
Vermont	62,643	10.4%	16,009	13.7%	\$56,883	4,561	15.6%
Alaska	74,941	10.4%	26,564	14.5%	\$73,391	8,535	15.8%
Minnesota	546,499	10.2%	165,217	13.1%	\$63,459	48,782	14.2%
Maryland	583,369	9.9%	184,229	13.9%	\$75,784	56,181	15.5%
New Hampshire	108,293	8.4%	28,590	11.0%	\$70,003	8,116	12.9%

Source: U.S. Census Bureau, 2015 Small Area Income and Poverty Estimates

4 How Alaska and U.S. Child Poverty Rates Compare

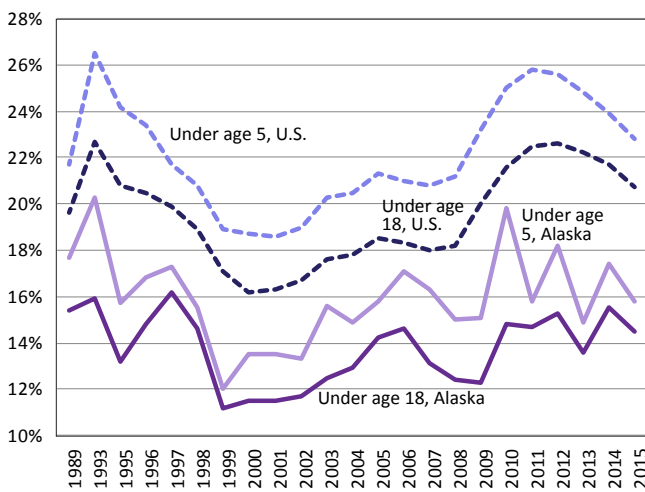
UNDER 18 AND UNDER 5 RATES, ALASKA AND THE U.S., 2015

	Total number in poverty	Poverty rate, total	Under 18, in poverty	Under 18, rate	Under 5 in poverty	Under 5, rate
United States	46,153,077	14.7%	15,000,273	20.7%	4,448,211	22.8%
Alaska	74,941	10.4%	26,564	14.5%	8,535	15.8%

Source: U.S. Census Bureau, 2015 Small Area Income and Poverty Estimates

5 Child Poverty Trends

ALASKA AND THE U.S., 1989 TO 2015



Source: U.S. Census Bureau, 2015 Small Area Income and Poverty Estimates

rates overall as well as the highest child poverty rates.

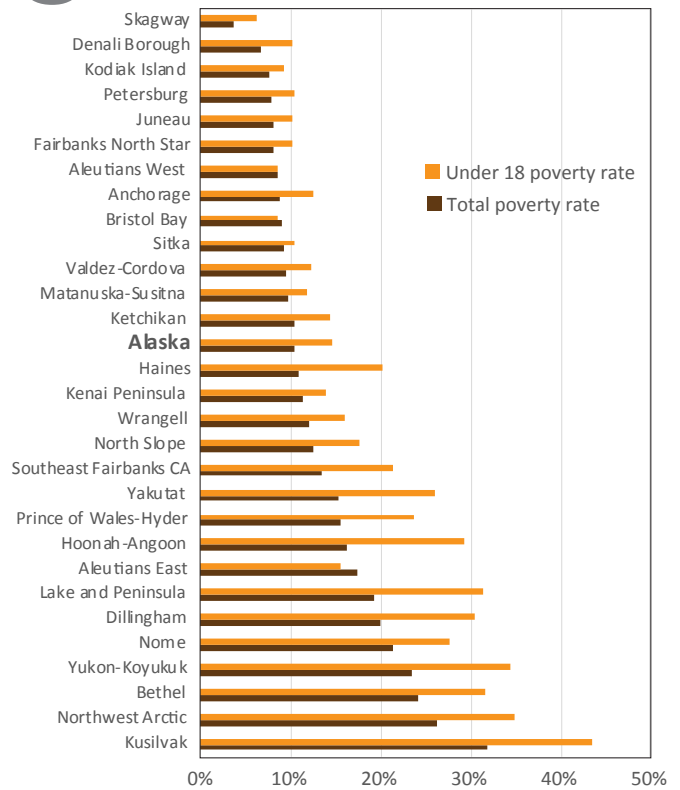
The Kusilvak Census Area was highest at 31.8 percent overall and 43.4 percent among those under age 18.¹ (See exhibits 6 and 7.) Out of the nation's 3,141 county equivalents, Kusilvak's total poverty rate ranked 84th.

In addition to lower median incomes, the areas with higher rates and especially higher child poverty rates tend to have more children per household and a younger population overall than the rest of the state. Poverty status is determined by the total household income of everyone over age 15 except foster children, regardless of family size or location. Note that because Alaska Permanent Fund Dividends for children under 15 don't count toward total family

¹Rates for children under 5 aren't produced at the county-equivalent level.

6 Higher in Southwest Alaska

POVERTY BY AREA, 2015



Source: U.S. Census Bureau, 2015 Small Area Income and Poverty Estimates

income, actual household income may sometimes be underestimated, especially in rural Alaska.

Many low rates are in Southeast

The places with the lowest poverty rates had among the highest incomes, led by Skagway at 4 percent.

Anchorage, which has the state's largest population and its third-highest median income, had the highest

7 Income by Alaska Area

TOTAL HOUSEHOLD, 2015

	Median household income
Kusilvak Census Area	\$33,511
Yukon-Koyukuk Census Area	\$37,755
Lake and Peninsula Borough	\$42,120
Bethel Census Area	\$44,849
Prince of Wales-Hyder CA	\$45,305
Dillingham Census Area	\$50,753
Nome Census Area	\$52,952
Hoonah-Angoon Census Area	\$53,726
Northwest Arctic Borough	\$53,774
Yakutat, City and Borough	\$53,795
Wrangell, City and Borough	\$54,500
United States	\$55,775
Aleutians East Borough	\$57,015
Haines Borough	\$57,876
Southeast Fairbanks CA	\$60,203
Kenai Peninsula Borough	\$62,025
Petersburg Borough	\$63,098
Ketchikan Gateway Borough	\$65,314
Skagway, Municipality	\$65,878
Bristol Bay Borough	\$66,373
Kodiak Island Borough	\$67,515
Sitka, City and Borough	\$68,472
Valdez-Cordova Census Area	\$70,101
North Slope Borough	\$70,834
Fairbanks North Star Borough	\$70,881
Denali Borough	\$73,000
Alaska	\$73,391
Matanuska-Susitna Borough	\$76,601
Anchorage, Municipality	\$77,791
Aleutians West Census Area	\$80,695
Juneau, City and Borough	\$82,892

Source: U.S. Census Bureau, 2015 Small Area Income and Poverty Estimates

number of people living in poverty but a low rate of 8.7 percent.

Small areas with transient workers also trend low, including Denali Borough, North Slope Borough, and Aleutians West Census Area. Income is higher in these areas, and any transient workers whose income is below the poverty line would be counted where they live, not where they work.

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8 Child Poverty by School District

AND ALASKA DISTRICT POPULATIONS, 2015

School district	District population	Total ages 5 to 17	Poverty rate, 5-17
Alaska Gateway School District (Tok area)	2,280	390	23%
Aleutian Region School District	619	27	41%
Aleutians East Borough School District	3,341	221	13%
Anchorage School District	298,695	51,599	11%
Annette Island School District	1,500	285	19%
Bering Strait School District	6,114	1,622	30%
Bristol Bay Borough School District	892	121	7%
Chatham School District	1,287	187	24%
Chugach School District	455	59	37%
Copper River School District	2,746	476	20%
Cordova City School District	2,175	358	4%
Craig City School District	1,234	236	26%
Delta/Greely School District	4,680	824	20%
Denali Borough School District	1,919	253	9%
Dillingham City School District	2,401	434	22%
Fairbanks North Star Borough School District	99,631	16,209	9%
Galena City School District	465	102	19%
Haines Borough School District	2,534	400	16%
Hoonah City School District	758	117	29%
Hydaburg City School District	385	70	29%
Iditarod Area School District (McGrath)	1,094	221	28%
Juneau Borough School District	32,756	5,234	8%
Kake City School District	572	97	27%
Kashunamiut School District	1,021	290	46%
Kenai Peninsula Borough School District	58,059	9,626	12%
Ketchikan Gateway Borough School District	13,709	2,197	12%
Klawock City School District	776	153	19%
Kodiak Island Borough School District	13,889	2,507	8%
Kuspuk School District	1,483	339	32%
Lake and Peninsula Borough School District	1,563	309	30%
Lower Kuskokwim School District	14,997	3,731	29%
Lower Yukon School District	6,546	1,812	42%
Matanuska-Susitna Borough School District	101,095	20,248	10%
Nenana City School District	374	67	16%
Nome School District	3,732	732	16%
North Slope Borough School District	9,687	1,708	16%
Northwest Arctic Borough School District	7,752	1,902	32%
Pelican City School District	88	12	25%
Petersburg Borough School District	3,177	497	10%
Pribilof School District	596	83	10%
Sitka School District	8,863	1,459	9%
Skagway School District	1,057	89	7%
Southeast Island School District	1,874	281	15%
Southwest Region School District	2,596	594	36%
St. Marys City School District	552	144	36%
Tanana City School District	244	47	19%
Unalaska City School District	4,487	352	5%
Valdez City School District	3,864	660	6%
Wrangell School District	2,382	361	13%
Yakutat School District	613	81	26%
Yukon Flats School District	1,425	260	35%
Yukon-Koyukuk School District	1,978	370	38%
Yupiiit School District (Aklachak, Akiak, Tuluksak)	1,420	364	42%

Source: U.S. Census Bureau, 2015 Small Area Income and Poverty Estimates

OUR CHANGING AGE STRUCTURE

How aging and migration trends could shape the future population

By **EDDIE HUNSINGER**

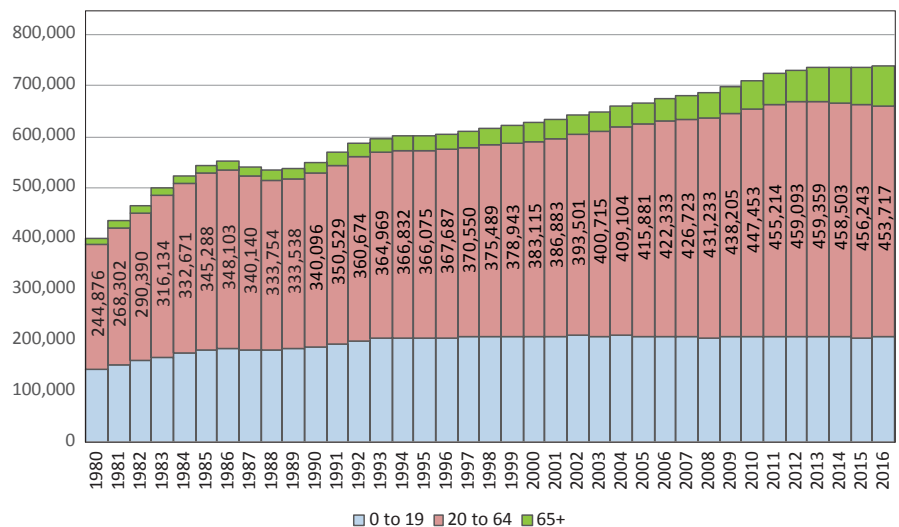
Alaska's population has continued to grow in recent years, although growth has slowed and the state's age structure has shifted. The state grew from 735,859 people in 2013 to 739,828 in 2016, but the only age group to increase was 65-plus. (See Exhibit 1.)

This doesn't mean more senior citizens are moving to Alaska; rather, it's the result of the large cohort of baby boomers, those born between 1946 and 1964, entering retirement age and the resulting subtraction from the 20-to-64 age group.

The increase in Alaskans over 65 has been steady and rapid for several years. The group grew by more than 4,000 people between 2015 and 2016 alone, reaching 78,980, and Alaska's senior population will likely pass the 80,000 mark in 2017 and top 100,000 in the coming years.

The 20-to-64 population, the typical working-age

1 Alaska's Population by Age Group 1980 to 2016



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

range, declined to 453,717 by 2016 after peaking at 459,359 in 2013. The under-20 population remained essentially unchanged over that period, as it has for more than two decades, hovering between 205,000 and 210,000 since 1994.

A few things we can predict

Many details about Alaska’s future population are uncertain, but we do know three things:

1. Unless Alaska’s net-migration gains are higher than the historical average over the next decade, the 20-to-64-year-old population will likely remain flat or decline through 2025.

Alaska’s annual net-migration — in-migration minus out-migration — has fluctuated around zero over the last 25 years, meaning the number who migrated to Alaska was approximately balanced by the number who left the state over the period.

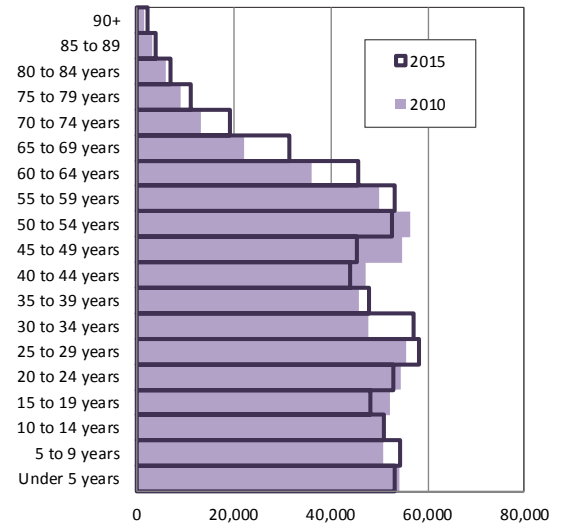
In terms of migration by age, the state typically loses more young people just after high school than it gains, gains more people in their 20s and 30s, and loses more at higher ages.

This pattern plus normal mortality rates and — most importantly — the number aging both into and out of the 20-to-64 group means that group won’t grow through 2025 unless the state’s overall net-migration gain is higher than the 25-year average.

This is a remarkable shift because before 2012, the state’s 20-to-64 population typically grew, even in years the state lost more people to migration than it gained.

2 Population in 2010 and 2015

ALASKA, BY AGE GROUP



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

This was primarily due to historical age structure; that is, older generations of Alaskans were much smaller.

2. Alaska’s 65-plus population — currently 11 percent of its total population — will increase dramatically through 2025, but it’s unlikely to make up more than 20 percent of the total population or surpass projected national percentages.

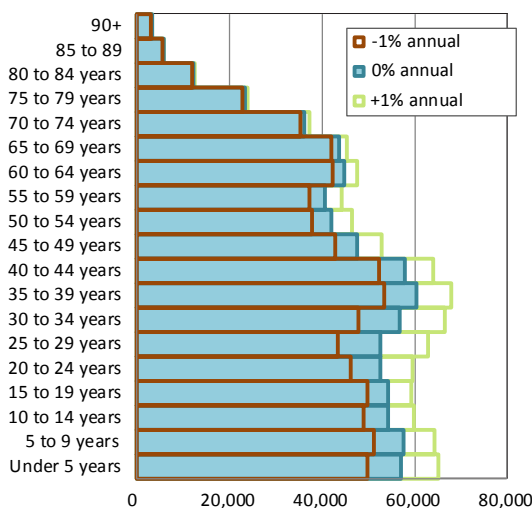
The future senior population is more predictable than other age groups because migration rates decrease with age — older people are less likely to move — and deaths are relatively predictable.

3. Population aging means bigger increases in deaths than births, which means Alaska’s population growth will likely be slower in the future.

Higher death rates caused by aging draw from the population each year. Also, while Alaska has a large share of people in the typical child-bearing ages, the state’s total fertility rate is at its lowest since the 1970s. Alaska’s total fertility rate, or the average number of children per woman, was 2.2 in 2015, down from a high of about 2.6 in the early 1990s.

3 Three Projected Scenarios Based on Net-Migration

POSSIBLE POPULATION PATTERNS IN 2025



Note: Based on population projections from 2015
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

A known unknown for the future population

A small shift in the long-term level of net-migration

would have a dramatic effect on total population.

Exhibit 3 shows three possible scenarios for Alaska's total population in 2025 based on zero annual net-migration and a 1 percent annual gain or loss.

As other states' experiences show, small shifts in net-migration can produce big changes in population. In Alaska's case, consistent net-migration gains of more than 1 percent of the state's population per year over 10 years would rapidly bring the state toward 1 million residents, although this scenario is considered unlikely given current economic conditions and historical precedent. Likewise, consistent net-migration losses as small as 1 percent of the total population per year would lead to substantial decline in Alaska's total population over the long term.

Eddie Hunsinger is the state demographer. Reach him in Anchorage at (907) 269-4960 or eddie.hunsinger@alaska.gov.

About the data

Even though population projections can have large margins of error due to yearly variation in migration and uncertainty in births and deaths, they provide important information about the most likely future age structure. Recent age trends this article describes were evident in projections before 2013, including the slowdown in working-age population growth as well as the rapid increase in the senior population.

A typical population projections method, and the one we use at the Alaska Department of Labor and Workforce Development, is to divide population into age groups and age them forward in time, adding projected births and in-migrants at each step and subtracting deaths and out-migrants. So, for example, we used the number of 50-year-olds in 2010, along with typical migration and mortality rates for 50-to-55-year-olds, to project the number of 55-year-olds in 2015. (See Exhibit 2.)

Projecting populations this way still carries all of migration's inherent uncertainty, but level and age patterns for each of these components have some predictable characteristics. For instance, annual interstate migration rates are usually between 5 and 7 percent of the state population and have a predictable age makeup, with the highest rates for 18-to-29-year-olds and lowest rates for those 65-plus.

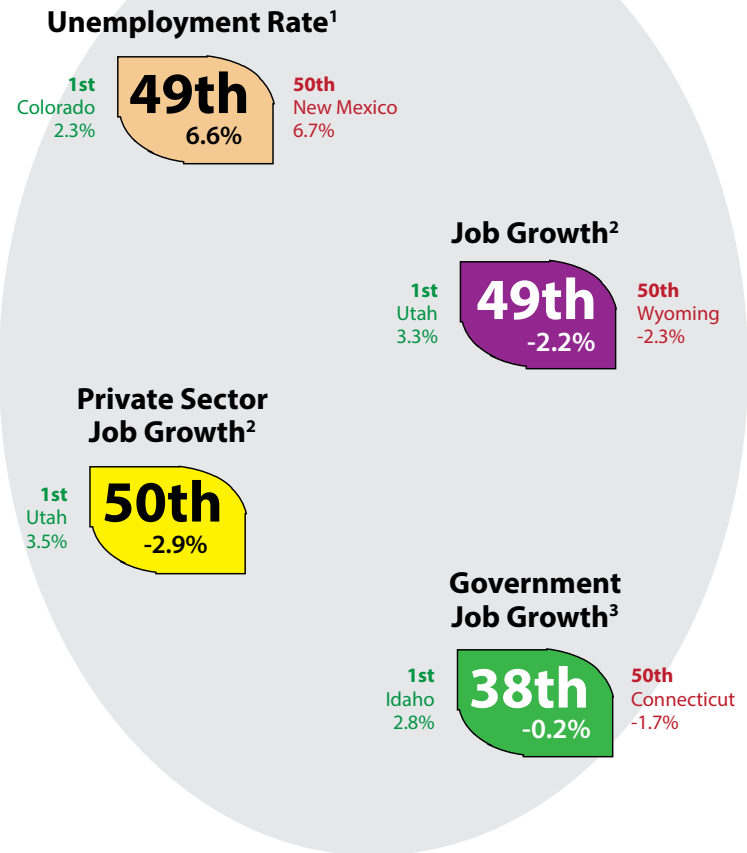
We can also project births and deaths fairly well over the short-term from age structure and from past vital records and population data.

The Month in Numbers

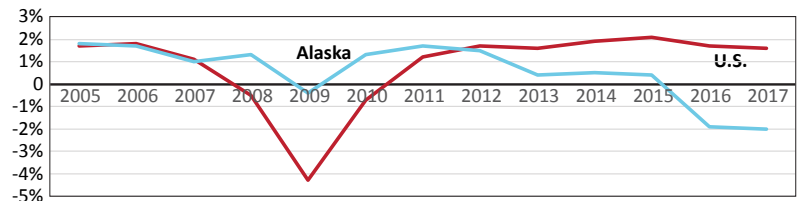
Unemployment Rates

	Prelim.		Revised	
	4/17	3/17	4/16	
SEASONALLY ADJUSTED				
United States	4.4	4.5	5.0	
Alaska Statewide	6.6	6.4	6.6	
NOT SEASONALLY ADJUSTED				
United States	4.1	4.6	4.7	
Alaska Statewide	7.0	7.2	6.8	
Anchorage/Mat-Su Region				
Municipality of Anchorage	5.7	5.8	5.3	
Matanuska-Susitna Borough	8.6	9.2	8.3	
Gulf Coast Region				
Kenai Peninsula Borough	8.6	9.1	8.8	
Kodiak Island Borough	4.9	4.4	4.7	
Valdez-Cordova Census Area	8.8	10.2	9.5	
Interior Region				
Denali Borough	16.1	20.1	15.1	
Fairbanks North Star Borough	6.1	6.2	5.8	
Southeast Fairbanks CA	10.1	10.8	11.1	
Yukon-Koyukuk Census Area	18.1	19.6	17.5	
Northern Region				
Nome Census Area	13.4	12.7	12.6	
North Slope Borough	7.0	6.5	6.1	
Northwest Arctic Borough	18.5	17.7	16.4	
Southeast Region				
Haines Borough	9.2	11.4	11.0	
Hoonah-Angoon Census Area	14.2	16.8	14.9	
Juneau, City and Borough	4.5	4.9	4.3	
Ketchikan Gateway Borough	6.3	7.4	6.8	
Petersburg Borough	9.2	10.3	8.7	
Prince of Wales-Hyder CA	11.4	12.9	11.9	
Sitka, City and Borough	4.1	4.6	4.6	
Skagway, Municipality	11.6	19.8	12.2	
Wrangell, City and Borough	6.8	8.3	6.7	
Yakutat, City and Borough	7.0	9.1	5.7	
Southwest Region				
Aleutians East Borough	2.3	1.8	2.3	
Aleutians West Census Area	3.6	2.2	3.6	
Bethel Census Area	13.5	13.4	14.7	
Bristol Bay Borough	8.0	12.9	9.5	
Dillingham Census Area	9.7	9.7	10.8	
Kusilvak Census Area	19.9	20.3	22.4	
Lake and Peninsula Borough	14.3	14.4	16.1	

How Alaska Ranks



Job Growth in Alaska and the Nation



All data sources are U.S. Bureau of Labor Statistics and Alaska Department of Labor and Workforce Development, Research and Analysis Section, unless otherwise noted.

¹April seasonally adjusted unemployment rates

²May employment, over-the-year percent change

³May employment, includes federal government (not military), state government (including University of Alaska), and local government (including K-12 public schools and tribal government)

Safety Minute

Vehicle crashes a major cause of death for ages 1 to 24

June is National Safety Month, which aims to reduce the leading causes of injury and death at work, on the road, and in homes and communities. Motor vehicle accidents are the top cause of unintentional death for Americans between ages 1 and 24, according to the National Safety Council's Injury Facts 2017.

- Ages 1 to 4: 33 percent (400 deaths)
- Ages 5 to 14: 56 percent (800 deaths)
- Ages 15 to 24: 57 percent (3,500 deaths)

The largest number of unintentional deaths fall within the early years of learning to drive and entering young adulthood. Further numbers released by The National Organizations for Youth Safety are sobering:

- 66 percent of teen passengers who die in a crash are not wearing a seat belt
- 58 percent of teens involved in crashes are distracted
- 25 percent of car crashes involved an underage

driver who had been drinking

- 5 percent of teen deaths in crashes are pedestrians and 10 percent are bicyclists

When instructing young drivers, it's crucial to convey the potential consequences of risky driving to themselves and the community, and to teach and demonstrate safe driving habits. These include avoiding talking or texting while driving, staying alert, avoiding distraction, always wearing a seatbelt, and never driving impaired.

Leading by example and informing young drivers of the consequences of unsafe habits can reduce the number of unintentional deaths and make Alaska's roads safer for everyone.

For more information about safe driving or driver education courses, contact the State of Alaska Division of Motor Vehicles at (907) 269-5551 or visit the DMV's Approved Driving Schools page at http://doa.alaska.gov/dmv/akol/driving_schools.htm.

Safety Minute is written by the Labor Standards and Safety Division of the Alaska Department of Labor and Workforce Development.

Employer Resources

Hiring workers with disabilities benefits business, community

The U.S. Department of Labor's Office of Disability Employment Policy provides comprehensive resources for employers who recognize the significant return on investing in an inclusive workforce.

ODEP resource topics include building an inclusive workforce, disability etiquette, tax incentives, accommodations and accessibility, and how an inclusive workplace is good for business by demonstrating leadership to community, stakeholders, and competitors. These resources are available at www.dol.gov/odep/topics/Employers.htm.

Alaska employers benefit from the collaborative efforts of several state and federal agencies that specialize in disability awareness, recruitment, and employment. The Department of Labor and Workforce Development's divisions of Vocational Rehabilitation and Employment and Training Services

are foremost among the agencies employers partner with to learn about recruiting and employing qualified Alaskans with disabilities. Local Alaska Job Center staff will guide you as you develop your disability employment strategy and find applicants to meet your business needs. Federal contractors may particularly benefit from this partnership by hiring people with disabilities (including veterans) as they strive to reach affirmative action goals.

Be a hero to your staff, an innovator in your community, and a leader among competitors. Get started today by contacting your nearest Alaska Job Center at (877) 724-2539 or jobs.alaska.gov/offices.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.