



# ALASKA ECONOMIC **TRENDS**

MARCH 2010

## Alaska's Health Care Industry

### WHAT'S INSIDE

#### Nursing Across the State

Nursing care workers in a fast-growing industry

#### Alaska's Unemployment Insurance Rate

Seasonal adjustments to the insured unemployment rate



ALASKA DEPARTMENT OF LABOR  
& WORKFORCE DEVELOPMENT

Sean Parnell, Governor  
Commissioner Click Bishop

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& WORKFORCE DEVELOPMENT

Sean Parnell, Governor of Alaska  
Commissioner Click Bishop

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Brynn Keith, Chief  
Research and Analysis

Susan Erben, Editor  
Sam Dapcevich, Graphic Artist

To contact *Trends* authors or request a free subscription, email [trends@alaska.gov](mailto:trends@alaska.gov) or call (907) 465-4500. *Trends* is on the Web at [laborstats.alaska.gov](http://laborstats.alaska.gov).

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Cover: Dentist Kim Hort examines Lorena Gray as Angel Weston, a dental assistant, assists at SouthEast Alaska Regional Health Consortium's Juneau dental clinic in May. All three work for SEARHC. After Weston completed her six-month dental assistant training in October, SEARHC hired her on full time. SEARHC works in conjunction with Tlingit and Haida Central Council to provide the training program, which graduates about five to six people a year. As a dental assistant, Weston is one of Alaska's nursing care workers discussed in this month's nursing article on Page 10. Photo courtesy of SEARHC

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## Trends Authors



Neal Fried, an Alaska Department of Labor and Workforce Development economist in Anchorage, specializes in the Anchorage/Mat-Su region's employment, wages and the cost of living. To reach him, call (907) 269-4861 or email him at [Fried@alaska.gov](mailto:Fried@alaska.gov).



Jack Cannon is a research analyst with the Department of Labor in Juneau. He works on special projects. To reach him, call (907) 465-6030 or email him at [Cannon@alaska.gov](mailto:Cannon@alaska.gov).



Josh Warren, a Department of Labor economist in Juneau, specializes in Alaska resident and new hire studies, wage record analysis and seafood industry research. To reach him, call (907) 465-6032 or email him at [Joshua.Warren@alaska.gov](mailto:Joshua.Warren@alaska.gov).



Lennon Weller, a Department of Labor economist in Juneau, specializes in the unemployment insurance system. To reach him, call (907) 465-4507 or email him at [Weller@alaska.gov](mailto:Weller@alaska.gov).



## Health Care Provides About 10 Percent of Alaska's Jobs

By Commissioner Click Bishop

In this month's *Trends*, you'll read that roughly one in 10 Alaskans works in the health care industry. Twelve of Alaska's 100 largest private-sector employers are health care providers and the number of health care workers in Alaska increased by 46 percent from 2000 to 2009.

As more services are available, Alaskans no longer need travel out of state for health care. As more Alaskans access health care at home, the industry grows.

Alaska's 65-plus population, with greater health care needs, grew more than 50 percent between 1998 and 2008. Projections indicate that our senior population will nearly double in the next 10 years, compared to growing 33 percent nationwide, and demand for health care services will expand commensurately.

Health care offers jobs at every level of training and education. All jobs usually have a clear experience/education career path – for example a certified nurse assistant can become a licensed practical nurse and then a registered nurse.

AVTEC's Allied Health Program, part of the Alaska Department of Labor and Workforce Development, offers two levels of training that meet Alaska Board of Nursing and employer standards – CNA and LPN. The eight-week CNA program produces 120 graduates each year – the 10-month LPN program 20. Both programs have a 100 percent placement rate.

Since opening its Anchorage Allied Health campus, AVTEC has expanded programs twice to meet industry demand. AVTEC's LPN graduates can enroll directly into the second year of the University of Alaska's School of Nursing's associate program and become a registered nurse.

The UA system offers a variety of programs statewide in allied and behavioral health, including emergency services, health management, nursing, physician assistant and a medical school partnership with the University of Washington. About half the programs are offered using distance and blended technology, such as online conferencing, and most new programs are developed with distance delivery technology components. From 2003 to last year, the number of majors enrolled in UA health-related programs increased 13 percent to 2,400 and the number of degrees awarded increased 45 percent.

A program that's the first of its kind in the U.S. is providing sorely needed preventive dental care in rural Alaska. Yuut Elitnaurviat partnered with the Alaska Native Tribal Health Consortium to train dental health aide therapists. Students spend a year training in Anchorage and a second year filling more than 1,000 appointments at the Yuut Elitnaurviat Dental Training Clinic in Bethel. The program has graduated 10 students, with seven more now completing work.

Another Yuut partnership, with the Yukon-Kuskokwim Health Corporation, is training personal care assistants, a program that provides layered benefits – individual paychecks, a boost to Alaska's rural economy and services that allow elders to stay at home in their villages.

Employers are helping build a work force through registered apprenticeship. A partnership between the Alaska Office of Apprenticeship and the U.S. Office of Apprenticeship created the first-in-the-nation apprenticeship in surgery technology.

Other health care occupations that can be supported by apprenticeship include pharmacy technician, dispensing optician, and medical coding and billing. Another promising opportunity includes biomedical equipment repair technician, an occupation that repairs and calibrates medical equipment.

The CNA apprenticeship career lattice through Prince William Sound Community College, a true earn-while-you-learn program that supports the needs of both employers and working adults, is a cooperative program with the Alaska Department of Labor, U.S. Department of Labor and the University of Alaska.

Health care offers year-round employment opportunities in all regions of Alaska – even in Alaska's smallest rural communities where jobs are scarce. To meet industry demand, we will continue to expand initiatives to help Alaskans access health care careers.



## A large industry that just keeps growing

**N**o Alaska industry has grown as much as health care, one of the state's largest industries. (See Exhibit 1.) It had at least 30,000 jobs in 2008 and its payroll was more than \$1.4 billion.<sup>1</sup> Health care employs more people in Alaska than the state government, oil industry or most other industries. And few industries are as geographically widespread and employ such a broad spectrum of occupations.

### Often No. 1

Alaska's health care jobs are everywhere. Slightly more than half of the industry's employment is in Anchorage, but nearly every corner of the state has a health care work force. (See Exhibits 2 and 3.) In fact, health care is often a commu-

nity's largest or second-largest employer. (See Exhibit 4.)

The Providence Alaska Medical Center, for example, is the largest private-sector employer in Anchorage, and the Bristol Bay Area Health Corporation and Yukon-Kuskokwim Health Corporation are the largest in Dillingham and Bethel, respectively. Twelve of the state's 100 largest private-sector employers are health care providers. Health care's labor-intensive nature and the fact that many health care providers are providing services around the clock explain their large staffs.

### Health care leaves most other industries in the dust

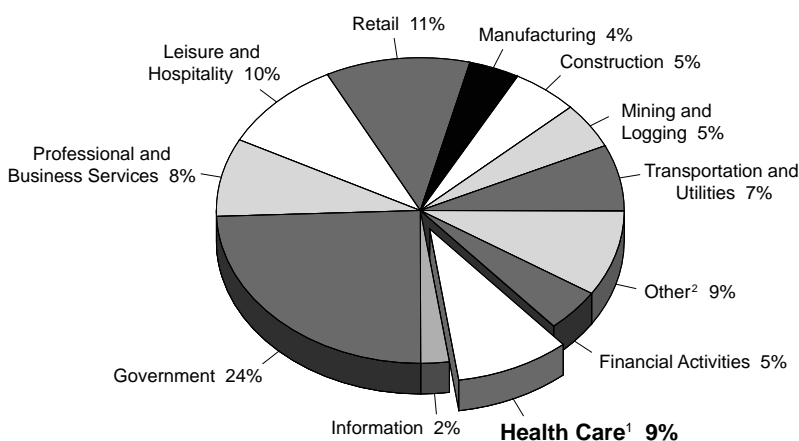
More remarkable than its size, though, is the pace at which it grows and grows. Alaska's health care employment increased from 20,700 in 2000 to 30,300 in 2009 (see Exhibit 5), growing more than three times as fast as all other industries – 46 percent compared to 13.3 percent for overall industry employment. In other words, health care was responsible for slightly more than a quarter of all employment growth in the state's economy.

Alaska's health care employment has also grown twice as fast as the nation's health care sector. (See Exhibit 6.)

The accelerated growth of Alaska's health care jobs has been going on for more than three decades. During the state's worst recession – from 1986 to 1988 – when the economy lost more than 20,000 jobs, health care employment growth just stalled for a year and then resumed its impressive upward trend.

<sup>1</sup> See the "What's Counted and What's Not" box on Page 6.

## 1 Health Care is One of the Biggest Alaska's labor market, 2008



<sup>1</sup> This category covers both the private and public sectors.

<sup>2</sup> Includes other services, private education services, social assistance and wholesale trade  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Health Care Employment<sup>1</sup> Alaska, 2008 **2**

The theme today isn't altogether different. By the end of 2009, health care and government were the state's only two industries that were still growing, while most others were losing ground. In the state-wide job forecast for 2010, health care and the public sector are the only sectors projected to grow.

### What makes health care different?

A distinctive characteristic of health care is that it doesn't fit the classic supply and demand model like most industries. It's often viewed as something absolutely necessary. When people have chest pains, they go to a doctor; it's not like choosing to go out to dinner or to buy a car.

In a similar vein, the way health care services are paid for is very different from the way typical consumer goods are paid for. A third-party payer usually pays for health care services; the consumer rarely pays directly for them. Because of that, cost is often not a key consideration.

A 2006 University of Alaska Anchorage study estimates that employers pay for 39 percent of health care bills, government pays for 42 percent and individuals pick up the rest.

Health care's delivery system is also different from most other services. A combination of private for-profit, private nonprofit and public providers delivers services, giving the industry its unique character. (See Exhibit 7.)

### Why does it keep growing?

There's no simple explanation for the scale of Alaska's growth or why Alaska's health care employment is growing so much faster than the nation's.

Supply and demand does help explain some of the spectacular increases in health care employment. Medical and technological advancements continue to boost the demand for health care

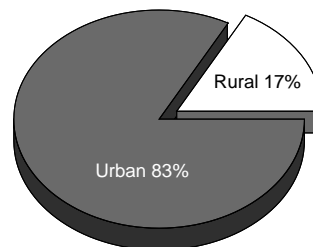
	Number of Jobs	Number of Jobs	
Statewide	30,259		
Aleutians East Borough	59	Matanuska-Susitna Borough	2,079
Aleutians West Census Area	98	Nome Census Area	438
Anchorage, Municipality of	15,716	North Slope Borough	29
Bethel Census Area	1,057	Northwest Arctic Borough	454
Bristol Bay Borough	–	Petersburg Census Area	132
Denali Borough	–	Prince of Wales-Hyder Census Area	68
Dillingham Census Area	368	Sitka Borough	771
Fairbanks North Star Borough	3,700	Skagway, Municipality of	–
Haines Borough	98	Southeast Fairbanks Census Area	65
Hoonah-Angoon Census Area	–	Valdez-Cordova Census Area	246
Juneau Borough	1,322	Wade Hampton Census Area	57
Kenai Peninsula Borough	2,230	Wrangell Borough	62
Ketchikan Gateway Borough	501	Yakutat Borough	–
Kodiak Island Borough	545	Yukon-Koyukuk Census Area	23
Lake and Peninsula Borough	–		

Note: A dash indicates that, because of a small number or zero, the data failed to meet Bureau of Labor Statistics' publication criteria.

<sup>1</sup>This exhibit shows the employment for both the private and public sectors.

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

## Many Jobs Are in Rural Alaska<sup>1</sup> Health care employment, 2009<sup>2</sup> **3**



<sup>1</sup> Rural excludes the Municipality of Anchorage, and the Fairbanks North Star, Juneau, Mat-Su and Kenai Peninsula boroughs.

<sup>2</sup>This exhibit shows the employment for the first three quarters of 2009.

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

services, and the number of medical procedures continues to grow.

Another ingredient is demographics – particularly as Alaska's population continues to age. Although only 7.2 percent of Alaskans are older than 65 (compared to the nation's 12.8 percent), between 1998 and 2008 the state's 65-plus population grew by 53 percent compared to 10 percent for the state's overall population.

And, according to the most recent projections, Alaska's 65 and older population will nearly double be-

# 4 Health Care Providers with Employment of 100 or More

## Alaska health care employment, 2008

	Average Monthly Employment in 2008 <sup>1</sup>	Average Monthly Employment in 2008 <sup>1</sup>
Providence Health & Services	4,000+	South Peninsula Hospital
Alaska Native Tribal Health Consortium (ANTHC) <sup>2</sup>	1,250 to 1,499	Immediate Care
Banner Health (mostly Fairbanks Memorial Hospital)	"	Tanana Valley Clinic
Southcentral Foundation <sup>3</sup>	1,000 to 1,249	Fairbanks Native Association
Yukon-Kuskokwim Health Corporation	"	Alaska Children's Services
Alaska Regional Hospital	750 to 999	Juneau Youth Services
SouthEast Alaska Regional Health Consortium (SEARHC)	"	Consumer Care Network
Mat-Su Regional Medical Center	500 to 749	Guardian Flight
Central Peninsula General Hospital	"	Sitka Community Hospital
Maniilaq Association	"	Anchorage Community Mental Health Services
Alaska Consumer Direct Personal Care	250 to 499	Alaska Heart Institute
Bartlett Regional Hospital	"	South Peninsula Behavioral Health Services
Norton Sound Health Corporation	"	Trinion Quality Care Services
Ketchikan General Hospital	"	Alaska Specialty Hospital
Bristol Bay Area Health Corporation	"	Cedar Point Care Center
North Star Behavioral Health System	"	Blood Bank of Alaska

<sup>1</sup> These are ranges that a company's or organization's specific employment falls into; the ranking is based on the specific employment number.

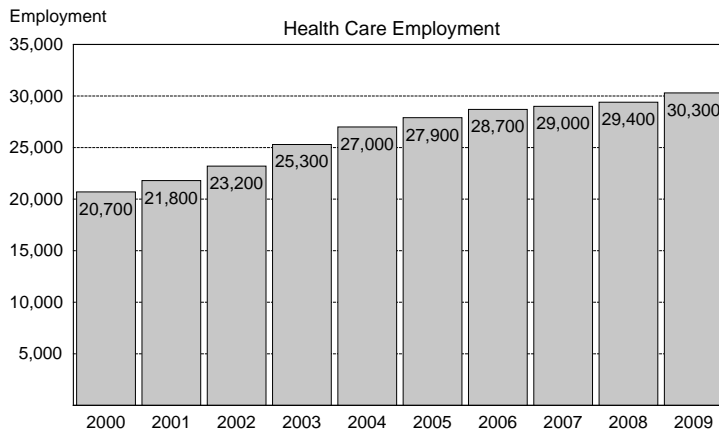
<sup>2</sup> This count excludes ANTHC's 500 federal employees.

<sup>3</sup> This count excludes Southcentral Foundation's 129 federal employees.

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

# 5 Health Care Keeps Marching On

## Alaska health care jobs,<sup>1</sup> 2000 to 2009<sup>2</sup>



<sup>1</sup> This exhibit shows employment for both the private and public sectors.

<sup>2</sup> The 2009 employment is based on the first three quarters of the year.

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

### What's Counted and What's Not

The industry numbers used throughout this article are conservative because they don't include the jobs held by uniformed personnel who provide health care to the military population or the jobs held by the many health care providers who own their practices and are considered self-employed.

In addition, there are health care jobs in the federal, state and local governments that aren't counted here because they're part of departments or units whose primary activity is something other than health care. For example, a job as a school nurse would be counted as part of the school district under local government education and a job as an aide at one of the six state-run Pioneer Homes would be counted under general state government.

tween now and 2020; the nation's, in comparison, is expected to increase 33 percent. (See Exhibit 8.)

Because seniors' health care needs are far greater than the needs of the overall population, senior health care needs become a big growth driver. The higher growth rate of Alaska's senior population is one reason why the state's health care employment is growing faster than the nation's, and that trend should continue in the future.

Another explanation for Alaska's more rapid growth is tied to the phenomenon economists call "import substitution," which means an increasing share of Alaska's health care needs are being met locally instead of people having to go Outside for treatment. As the state's health care industry grows, more health care choices exist, and more health care money is spent in Alaska – and that all causes the state's industry to expand further.

An example of Alaska catching up with the rest of the nation: In 1990, health care represented 4 percent of Alaska's wage and salary employment versus 7 percent for the nation. By 2009, that difference narrowed some. Health care represented 9.1 percent for Alaska, versus 11.6 for the nation.

### Will health care continue to grow?

As Alaska's catching-up phase with the rest of the nation narrows, growth could begin to slow some, even though health care employment at the national level is forecasted to grow twice as fast as the overall market by 2016.

There are other potential brakes on future expansion.

One certainly is cost – like elsewhere in the nation, health care costs continue to escalate. Over the 1999-2009 period in Alaska, the cost of health care has increased by 52 percent compared to 29 percent for all goods and services, according to the Anchorage Consumer Price Index. (See Exhibit 9.) Alaska's health care costs typically run 25 percent above the nation's, according to the University of Alaska Anchorage.

Another potential limit is the availability of state and federal public funds. Since public dollars play such an important role in the health care industry, periods of budget restraint could eventually slow growth. Nevertheless, because of the powerful forces of demographics and advances in medical technology, most experts believe the health care freight train will stay on track for the near future.

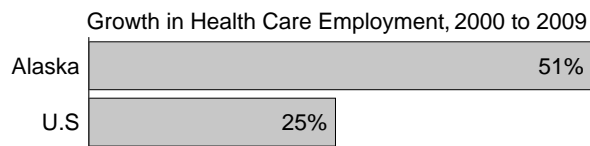
### Hospitals – the heavy weight

When it comes to the heavy weights in health care employment, hospitals do a lot of the heavy lifting. In 2009, like in many years, hospitals were responsible for the biggest slice of the state's health care employment. (See Exhibit 10.)

Like the industry as a whole, hospitals are such big employers because they're labor-intensive.

## Alaska's Growth Tops the Nation's Health care job growth,<sup>1</sup> 2000 to 2009<sup>2</sup>

6



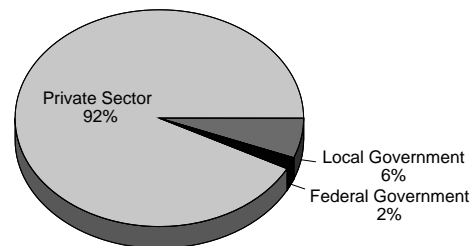
<sup>1</sup> This exhibit covers only private-sector health care employment.

<sup>2</sup> The 2009 employment is based on the first three quarters of the year.

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

## Most Jobs Are in the Private Sector<sup>1</sup> Alaska's health care jobs, 2009<sup>2</sup>

7



Note: For an explanation of why state government isn't shown, see the "What's Counted and What's Not" box on Page 6.

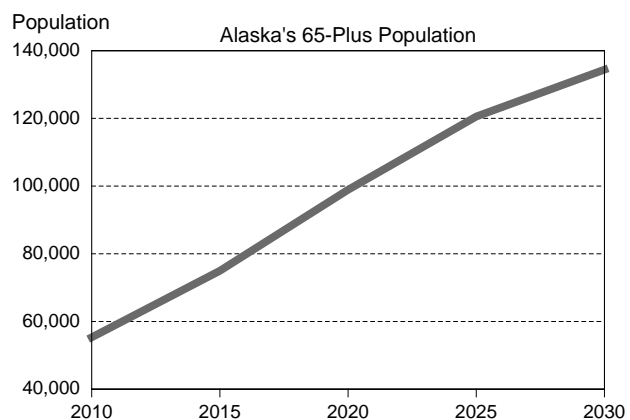
<sup>1</sup> The private sector includes nonprofits along with for-profit companies. This exhibit is based on a database that won't allow nonprofits to be listed separately.

<sup>2</sup> Based on the first three quarters of 2009

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

## Future Growth for the 65-Plus Group Alaska, 2010 to 2030

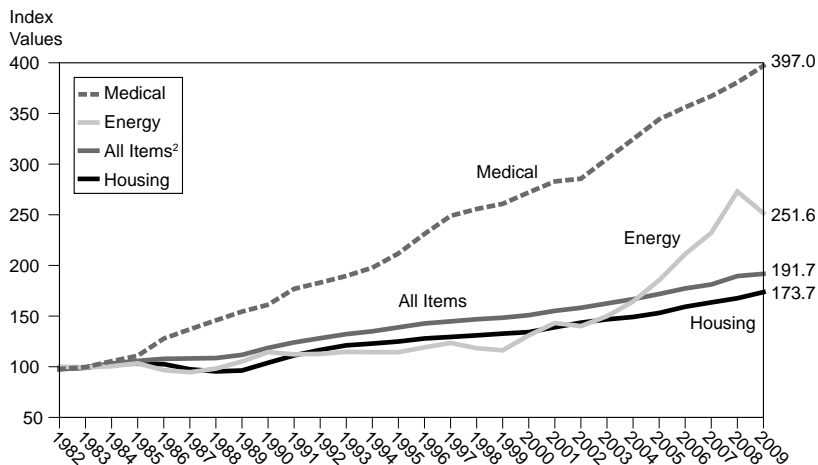
8



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

They provide around-the-clock care; three shifts of workers cycle through hospitals each day. Providence Health & Services, for instance, has been the state's largest private-sector employer since 2001. Five of Alaska's 100 largest private-sector employers in 2008 were hospitals.

## 9 Health Care Costs Keep Growing Anchorage CPI,<sup>1</sup> 1982 to 2009

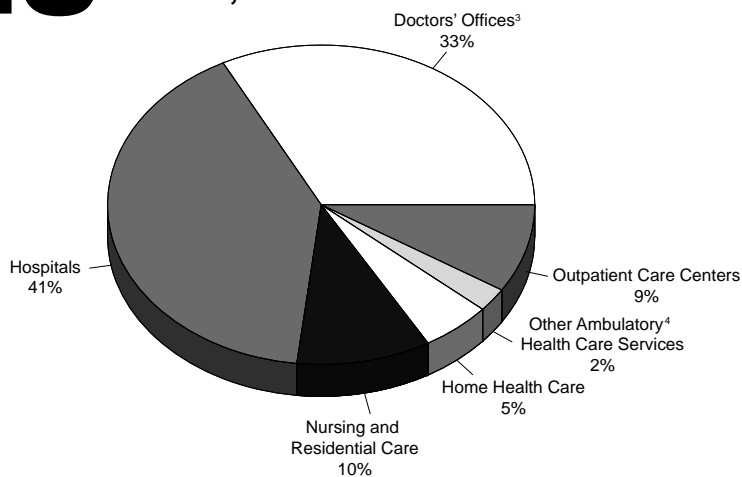


<sup>1</sup> This exhibit is based on the Consumer Price Index for all Urban Consumers, or CPI-U, for the selected components only.

<sup>2</sup> "All Items" refers to all components measured by the CPI, not just those listed here.

Source: U.S. Department of Labor, Bureau of Labor Statistics

## 10 Where the Health Care Jobs Are<sup>1</sup> Alaska, 2009<sup>2</sup>



<sup>1</sup> This exhibit covers both the private and public sectors.

<sup>2</sup> Based on the first three quarters of 2009

<sup>3</sup> This category includes the offices of physicians, dentists and other health practitioners.

<sup>4</sup> In other words, other outpatient services

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

If public-sector hospitals were included, they would also be one of the top employers in their respective communities. Roughly 19 percent of Alaska's hospital jobs are in government – most at local public hospitals or the Alaska Native Medical Center.

Between 2000 and 2009, hospital employment grew more slowly than most of the rest of

health care (see Exhibit 11), and cost pressures could be putting some damper on hospital job growth. As a result, there's been some shifting of hospital activity to some of the other health care categories.

The roles of hospitals and other health care providers have become increasingly blurred, as the traditional hospital no longer exists. An increasing share of hospital activity includes outpatient care, and hospitals are branching out and opening day clinics and other facilities.

Hospital wages also tend to be higher than they are for most other health care services. (See Exhibit 12.)

### A third of health care jobs are in doctors' offices

Combined, about a third of all the state's health care jobs are in the offices of physicians, dentists and other health practitioners.

Jobs in doctors' offices grew by 32 percent from 2000 to 2009. (See Exhibit 11.) Like hospitals, doctors' offices sometimes look very different from the past. Some look more like hospitals minus the inpatient care.

Jobs in dentists' offices have increased more moderately than the overall average.

Although the offices of other health care practitioners category represents only 7 percent of all health care employment, it grew by nearly a half between 2000 and 2009. The category includes chiropractors, optometrists, therapists (including speech, occupational and physical), naturopaths, mental health practitioners who aren't physicians, and others.

### Home health, nursing and residential care grows

Both home health care, and nursing and residential care employment have grown faster than average.

Nationally, nursing and residential care represents a much bigger piece of health care services employment compared to Alaska. Many of the residential facilities in Alaska are run by the



## Employment by Category Health care, Alaska 2000 to 2009<sup>1</sup>

# 11

state, such as Alaska's six Pioneer Homes, which means their employment is captured in state government and not health care. Other facilities such as the Providence Extended Care Center in Anchorage and Denali Center in Fairbanks are connected to hospitals and are therefore counted under hospital employment. Hospitals with adjoining residential facilities are quite common around the state.

Because Alaska's older population is growing rapidly, home health, and nursing and residential care will likely grow faster in the future and absorb a growing slice of the health care services pie – particularly home health care. There's some movement away from nursing home care and a growing shift to in-home care because of cost pressures and the fact that home care can often mean the patient is more independent.

### The roles are changing

All told, it's important to understand that it's becoming more difficult to categorize health care providers as easily as in the past. As mentioned earlier with hospitals and doctors' offices, traditional definitions often don't apply due to the blending of roles that many health care providers are playing today. Some hospitals provide nearly all varieties of care and some doctors' offices offer a wide variety of outpatient care. In addition, in many cases the different providers work in such close partnership that it's often difficult to distinguish between them.

### Health care has all kinds of job opportunities

Alaska's health care industry has been the star generator of job opportunities for decades, and it will most likely continue to play that role in the future. And given the current outlook for the broader job market, that may take on an added importance.

Another appeal of the health care industry is it offers job opportunities in all regions of the state – often in places where economic opportunities are scarce. Even in some of Alaska's smallest communities where only a handful of jobs exist, usually at least one of those jobs is in health care.

	Employment in 2000	Employment in 2009	Percent Change, 2000 to 2009
Total	20,699	30,259	46%
Physicians' offices	4,298	5,693	32%
Dentists' offices	1,818	2,137	18%
Other health practitioners' offices	1,365	2,005	47%
Outpatient care centers	1,964	2,690	37%
Medical and diagnostic laboratories	109	277	154%
Home health care services <sup>2</sup>	147	1,638	–
Other ambulatory health	308	463	50%
Hospitals	9,053	12,331	36%
Nursing and residential care	1,637	3,025	85%

<sup>1</sup> Based on the first three quarters of 2009

<sup>2</sup> Part of home health care services' growth in 2009 is because a larger employer was reclassified; roughly 24 percent of the 1,638 is a result of that adjustment.

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

## Worker Earnings in Health Care Alaska, 2008

# 12



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

The health care industry, unlike some industries, also inherently has employment opportunities at every level of training and education. And those jobs tend to be year-round.

## Nursing care workers in a fast-growing industry

**I**t will come as no surprise to anyone that nursing occupations and the health care industry are among the fastest growing occupations and industries in the state.

An aging Alaska population, technical changes that are boosting the demand for health care services and more in-state health care options are among the reasons for the industry's surge. By 2016, Alaska is projected to have about 30 percent more jobs related to nursing services than in 2006 while health care as an industry is expected to add 25 percent more jobs over the same period.

One of the fastest growing groups of occupations in one of Alaska's fastest growing industries deserves a closer look.

### Who are we talking about?

When most people think of nurses, they think of registered nurses. This article will look not only at RNs, but at other workers who provide nursing-related<sup>1</sup> services as well. (Federal nursing

<sup>1</sup> "Nursing-related" is used interchangeably with "nursing care" throughout this article.

care workers aren't included in the data used for this article.) The group is made up of registered nurses (including RNs with specialized training such as nurse practitioners and nurse anesthetists), nursing instructors and teachers, licensed practical nurses (LPNs), and nursing aides, orderlies and attendants (those with certification are often referred to as Certified Nurse Assistants or CNAs).

In 2008, there were 5,512 RNs, 2,559<sup>2</sup> CNAs, 684 LPNs and 62 nursing instructors and teachers in Alaska. More than 5,100, about 58 percent, of those workers were in the Anchorage/Mat-Su area. The Gulf Coast, Interior and Southeast regions each had between 10.7 percent and 13.2 percent of the total while the Southwest and Northern regions had about 3 percent each. (See Exhibit 6.)

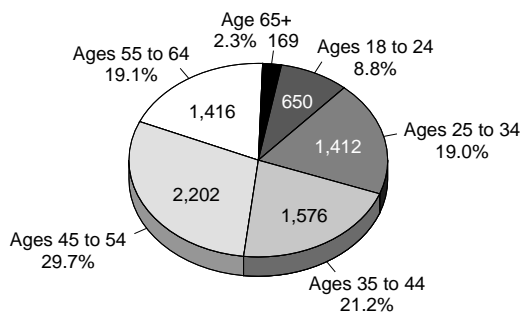
RNs make up more than 62 percent of the state's total, but not all RNs began as RNs. The CNA program is often an entry point for LPNs and RNs. Some LPNs later become RNs and many of the state's instructors are drawn from the RN pool. There's a clear path from entry-level positions to higher levels of nursing that can be achieved with experience and continuing education.

### Gender

Almost 90 percent of nursing care workers in Alaska of known gender are female. That figure holds true for every region of the state. According to a 2000 national survey, Alaska's 10 percent for males is about twice the national average. Almost 95 percent of Alaska's nursing instructors are female. (See Exhibit 6.)

<sup>2</sup> This number is shown in the nursing aides, orderlies and attendants occupation category on Exhibit 6. The category includes CNAs.

## 1 How the Ages Break Down Alaska's nursing-related workers, 2008



Note: This exhibit covers only workers whose age is known.  
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Age

The average age – where age is known – of the nursing-related workers in 2008 was 43.3 years. The average age for CNAs was 37; for instructors it was 53. Both RNs and LPNs had an average age of 46. There was little age difference between the sexes. The Southwest region had the oldest average age of 46 years, while workers in the Northern region were the youngest, averaging about 41 years old. Almost 30 percent of nursing care workers statewide were between 45 and 54, and more than half the total were older than 45. (See Exhibit 1.)

## Location

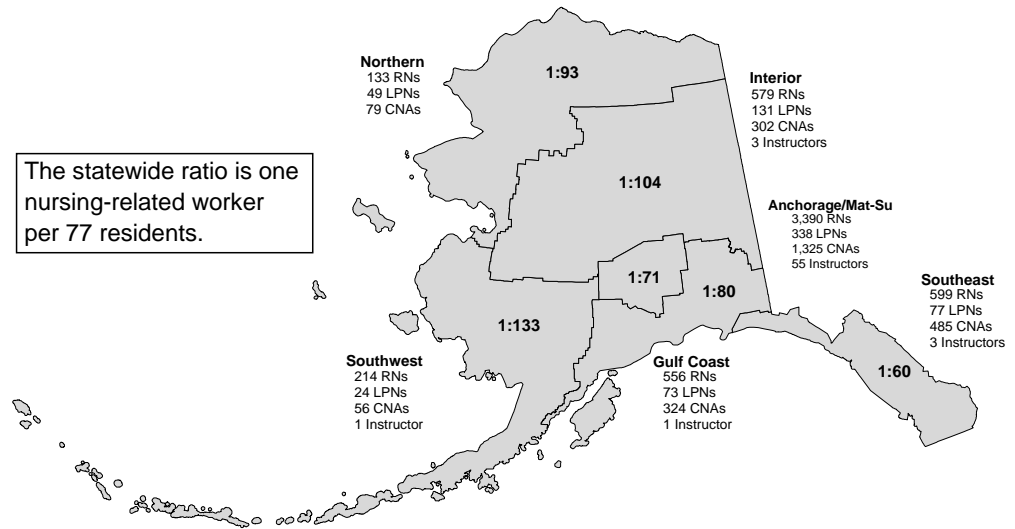
The statewide ratio of nursing care workers to residents was one to every 77 residents. The Southeast region had the highest ratio with one for every 60 residents while Southwest has the lowest with one per 133 people. (See Exhibit 2.)

Alaska's Southwest region led all other regions with its percentage of RNs to all nursing-related workers – 73 percent. The Northern and Southeast regions trailed other regions with about 51 percent RNs each.

The Northern region had the highest percentage of LPNs at 18.5 percent and Southeast's nearly 42 percent was highest for CNAs.

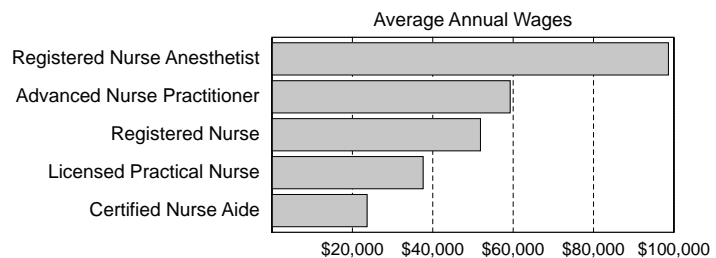
Different areas have different types of facilities and staffing needs. Three of the state's six Pioneer Homes are in Southeast Alaska, and that may account for the region's high percentage of CNAs. Long-term care facilities are able to use more nursing assistants working under the supervision of RNs or other trained professionals.

## Ratio of Nursing Care Workers to Residents By region, Alaska 2008 **2**



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

## Average Wages by License Type Alaska's nursing-related workers, 2008 **3**



Note: This exhibit shows only wages for nursing-related jobs; the wages from the workers' other jobs aren't included.

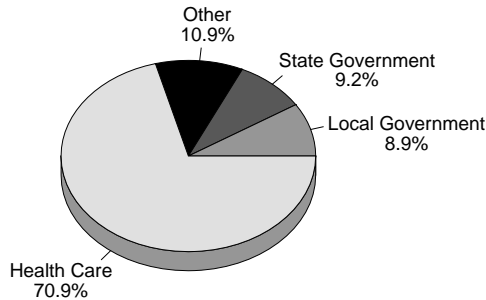
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Wages

The group as a whole earned \$380 million in total annual wages during 2008. That includes wages for both nursing and non-nursing-related work. More than 90 percent of the total was earned doing nursing-related work. Not surprisingly, those with specialized areas of expertise and certification had the highest average annual wages. (See Exhibit 3.)

RNs earned about three-quarters of the group's total wages and also earned the highest percentage of their wages from nursing-related work. RNs earned 94 percent from nursing-related work, compared to instructors and CNAs who earned 75 and 78 percent respectively. More

## 4 Industries Where They Work Alaska's nursing-related workers, 2008



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

## 5 Top Employers Alaska's nursing-related jobs, 2008

	Number of Employees <sup>1</sup>	Headquarters or Largest Worksite
Providence Health & Services	2,000 to 2,250	Anchorage
State of Alaska	750 to 1,000	—
Alaska Regional Hospital	500 to 750	Anchorage
Banner Health (mostly Fairbanks Memorial Hospital)	"	Fairbanks
Alaska Native Tribal Health Consortium	250 to 500	Anchorage
Mat-Su Regional Medical Center	"	Mat-Su
Central Peninsula General Hospital	"	Soldotna

Note: Five of these employers were among Alaska's 100 largest private-sector employers in 2008. For more information, see the *Trends 100* in *Trends*' July 2009 issue.

<sup>1</sup> These are ranges that a company's or organization's specific employment falls into; the ranking is based on the specific employment number.

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

modestly paid CNAs were likely supplementing their nursing-related wages with work outside of health care.

### Residency

More than 7,000, about 80 percent of the group, claimed Alaska as their state of residence. The percentage was highest for CNAs who often are recruited, trained and work in their home communities. (See Exhibit 6.)

Alaska health providers satisfy some of their nursing personnel needs by recruiting from outside the state and by hiring traveling registered nurses. How many of those nurses are hired varies with location, area of specialization and level of expertise. Some of these recruited nurses choose to stay in the state and become permanent residents.

### Industry

More than 70 percent of all the nursing-related employees worked in the health care and social assistance industry in 2008. Another 18 percent worked in state and local government facilities, split roughly equally between the government branches. About 6 percent worked for agencies that provide temporary and traveling nurses and the balance was in other industries, with each major industry claiming at least one nursing-related worker. (See Exhibit 4.)

### Largest employers

The four largest employers of nursing care staff in 2008 were Providence Health & Services, the State of Alaska, Alaska Regional Hospital and Banner Health.<sup>3</sup> Providence employed more than the next three combined and together the four accounted for almost half of the state's nursing care workers. (See Exhibit 5.)

Employers report shortages, especially in areas that require highly experienced RNs and in positions that require a high level of specialized training.

### Licensing

Alaska has made great strides toward increasing the in-state training capacity for nursing-related jobs. New rural training facilities are opening each year, charged with training people in rural communities on the basics they need to get a license and work in their communities.

RNs practicing in the state must hold an Alaska license. Twenty-two states (with one more pending) have joined in an agreement that allows their licenses to be interchangeable among the member states. Alaska isn't part of that group. Nurses from out of state must first get an Alaska license to begin work.<sup>4</sup>

There were 12,830 individuals with a nursing license in Alaska in 2008. However, only 67.6

<sup>3</sup> Most of Banner Health's Alaska jobs are at Fairbanks Memorial Hospital.

<sup>4</sup> Some discrepancies between worker counts and licensees may be the result of incorrect occupational coding or differences in the two data sets, preventing an exact match.

# 6 A Look at People and Their Nursing-Related Jobs Alaska, 2008

	2008							2008				
	Total	Female	Male	Worked All Four Quarters	Nursing Wages	Average Nursing Wages	Total Wages <sup>1</sup>	Average Total Wages <sup>2</sup>	Moved Between Rural and Urban, <sup>3</sup> 2003 to 2008	Worked in Rural Area	Worked in Urban Area	Percentage Alaska Resident
People in nursing-related occupations	8,817	6,636	790	5,643	\$345,839,808	\$39,224	\$379,896,698	\$43,087	258	1,718	7,217	80.4%
<b>Occupation</b>												
Nursing instructors and teachers	62	52	3	36	\$2,304,787	\$37,174	\$3,073,772	\$49,577	1	2	60	87.1%
Registered Nurses	5,512	4,038	417	3,802	\$267,239,348	\$48,483	\$282,957,581	\$51,335	207	990	4,620	77.1%
Licensed Practical Nurses	684	481	67	441	\$24,874,914	\$36,367	\$27,554,263	\$40,284	24	154	541	76.3%
Nursing aides, orderlies and attendants	2,559	2,065	303	1,364	\$51,420,760	\$20,094	\$66,311,082	\$25,913	26	572	1,996	88.6%
<b>Gender</b>												
Male	790	0	790	531	\$34,155,754	\$43,235	\$38,844,471	\$49,170	51	136	680	92.2%
Female	6,636	6,636	0	4,726	\$269,091,746	\$40,550	\$295,797,816	\$44,575	162	1,236	5,471	95.8%
Unknown	1,391	0	0	386	\$42,592,309	\$30,620	\$45,254,412	\$32,534	45	346	1066	0.4%
<b>Age Group</b>												
18 to 24	650	572	77	254	\$10,173,272	\$15,651	\$13,343,412	\$20,528	11	117	536	92.9%
25 to 34	1,412	1,276	136	914	\$46,472,005	\$32,912	\$52,102,614	\$36,900	28	228	1194	95.0%
35 to 44	1,576	1,379	194	1,140	\$65,811,235	\$41,758	\$73,409,904	\$46,580	58	278	1318	95.3%
45 to 54	2,202	1,972	223	1,718	\$105,198,769	\$47,774	\$114,857,874	\$52,161	70	426	1813	96.3%
55 to 64	1,416	1,262	149	1,103	\$68,791,202	\$48,581	\$73,599,914	\$51,977	44	286	1156	95.2%
65 to 74	169	157	10	124	\$6,791,439	\$40,186	\$7,317,977	\$43,302	2	39	131	95.3%
75+	13	12	1	10	\$542,173	\$41,706	\$551,899	\$42,454	0	2	11	84.6%
Unknown Age	1,379	6	0	380	\$42,059,713	\$30,500	\$44,713,104	\$32,424	45	342	1058	0.4%
<b>Region</b>												
Anchorage and Mat-Su	5,146	3,891	487	3,359	\$210,893,936	\$40,982	\$231,155,486	\$44,919	100	0	5,146	81.7%
Gulf Coast	943	755	74	634	\$33,820,530	\$35,865	\$36,913,841	\$39,145	43	943	41	84.6%
Interior	1,008	786	78	617	\$35,521,581	\$35,240	\$39,089,511	\$38,779	19	17	998	81.7%
Northern	254	147	16	108	\$9,441,905	\$37,173	\$10,397,070	\$40,933	16	254	14	57.5%
Southeast	1,160	886	110	777	\$40,832,718	\$35,201	\$45,535,851	\$39,255	35	198	979	81.8%
Southwest	295	170	25	147	\$15,052,265	\$51,025	\$16,528,065	\$56,027	45	295	39	58.6%
Outside Alaska	11	1	0	1	\$276,874	\$25,170	\$276,874	\$25,170	0	11	0	0.0%
<b>Industry</b>												
Health care	6,255	4,889	571	4,264	\$263,323,648	\$42,098	\$285,820,827	\$45,695	168	1,125	5208	83.5%
State government	810	686	88	611	\$33,234,214	\$41,030	\$36,112,868	\$44,584	28	71	744	93.0%
Local government	789	657	57	544	\$27,902,154	\$35,364	\$31,050,256	\$39,354	16	314	485	86.8%
Administrative	556	102	24	95	\$13,547,701	\$24,366	\$14,333,106	\$25,779	33	127	452	18.0%
Other services	66	43	3	25	\$2,004,667	\$30,374	\$2,545,854	\$38,574	1	33	34	65.2%
Professional, scientific and technical services	56	44	5	28	\$1,880,397	\$33,579	\$2,329,204	\$41,593	1	2	54	87.5%
All other industries	285	215	42	76	\$3,947,027	\$13,849	\$7,704,584	\$27,034	11	46	240	85.3%
<b>License Type</b>												
Licensed	6,953	5,554	579	5,132	\$311,221,467	\$44,761	\$333,650,403	\$47,987	249	1,325	5,744	85.0%
Advanced Nurse Practitioner	232	200	10	161	\$13,747,428	\$59,256	\$16,116,469	\$69,468	12	53	186	86.6%
Certified Nurse Aide	1,428	1,256	140	1,004	\$33,789,560	\$23,662	\$40,743,088	\$28,532	22	319	1,117	95.4%
Licensed Practical Nurse	630	486	61	455	\$23,685,428	\$37,596	\$25,744,665	\$40,865	31	135	513	83.8%
Registered Nurse	4,545	3,548	356	3,481	\$235,699,948	\$51,859	\$246,311,835	\$54,194	182	787	3,840	82.5%
Registered Nurse Anesthetist	28	12	6	17	\$2,761,544	\$98,627	\$2,761,544	\$98,627	1	6	22	64.3%
Temporary Certified Nurse Aide	50	39	4	9	\$658,556	\$13,171	\$978,357	\$19,567	0	16	34	78.0%
Temporary Licensed Practical Nurse	9	4	0	1	\$182,057	\$20,229	\$200,904	\$22,323	0	4	5	44.4%
Temporary Registered Nurse	31	9	2	4	\$696,946	\$22,482	\$793,540	\$25,598	1	5	27	35.5%
Unlicensed	1,864	1,082	211	511	\$34,618,342	\$18,572	\$46,246,296	\$24,810	9	393	1,473	63.4%
<b>Movement between rural and urban areas, 2003 to 2008<sup>3</sup></b>												
Did not move	8,559	6,474	739	5,461	\$332,713,302	\$38,873	\$365,672,561	\$42,724	0	1,589	6,970	80.5%
Moved	258	162	51	182	\$13,126,506	\$50,878	\$14,224,138	\$55,132	258	129	247	78.7%
All of the health care industry	42,391	29,385	8,469	29,907	\$263,323,648	\$6,212	\$1,480,877,818	\$34,934	2,449	10,366	32,887	84.9%

<sup>1</sup> This column shows the wages people earned from nursing-related jobs, plus the wages they earned from any other jobs.

<sup>2</sup> This column is an average based on the Total Wages column to the immediate left.

<sup>3</sup> In cases where the working location was changed

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; Alaska Department of Revenue, Permanent Fund Dividend Division; Alaska Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing



percent of them were working in wage and salary employment that year. Some of them might have been working in jobs that aren't covered by unemployment insurance, such as independent contractors, so they weren't included in the data used for the count.<sup>5</sup>

## Full time

One of the appeals of nursing as an occupation is that – especially for those with advanced skills and experience – it affords flexibility for employees to work when and where they want. That means that working part time is a possibility and many from the nursing care group take advantage of that option. Health care providers are willing to accommodate employees' wants and needs in order to staff their facilities.

About 64 percent of Alaska's nursing care workers were employed full time in 2008. Work was considered full time for this report when wages were reported in all four quarters of a calendar year. Sixty-nine percent of RNs worked full time. At the other end of the range, 53 percent of CNAs worked in all four quarters. (See Exhibit 6.)

More than 65 percent of the nursing care group in Gulf Coast, Southeast and Anchorage/Mat-Su and 61 percent from Interior worked full time, while Southwest and Northern trailed the other regions with 50 and 43 percent respectively.

## Rural/urban

A 2007 University of Alaska health work force vacancy study found the highest vacancy rates for health care workers in the Northwest and Southwest parts of the state. Those areas are primarily rural and don't include any of the state's larger urban areas.

From 2003 to 2008, about the same number of nursing care workers moved from Alaska's urban areas to rural areas (112), as moved from rural areas to urban (125).

However, looking at the percentage of each area's total nursing care workers, a larger per-

centage moved from rural areas to urban areas than vice versa. During the six-year period, the 112 who moved from the urban areas to rural areas represented 1.7 percent of the urban areas' 6,650 nursing care workers. The 125 who moved from rural areas to urban areas represented 7.5 percent of the rural areas' 1,675 nursing care workers.

## Conclusion

Openings for nursing-related occupations in Alaska range from those requiring entry-level certification and training to those requiring higher degrees and advanced training. The opportunities for entry and advancement have helped make nursing-related jobs high-growth occupations in a high-growth industry.

Alaska has added more than 600 nursing-related workers to its wage and salary employment over the 2003 to 2008 period. The number of people in nursing occupations is forecasted to continue to climb upward for the foreseeable future. Continuing growth in nursing-related occupations, as well as the health care industry in general, offer an excellent outlook for those looking to enter the field.

### Methodology

Worker numbers and income data used for this article are from the Occupational Database. ODB contains occupation and place of work information on each wage and salary worker covered by unemployment insurance employed in Alaska. Resident information is based on matching addresses from Alaska Permanent Fund dividend applications to ODB data.

The data set used in this report consists of an unduplicated collection of wage records. In cases where workers had more than one job or worked in more than one geographic area, their employment and wages were assigned to the industry, employer and area where they earned the majority of their wages in 2008.

The Alaska Department of Labor and Workforce Development wage file includes only those workers covered by Alaska unemployment insurance. Therefore, information wasn't available for self-employed workers or federal government employees.

<sup>5</sup> See the Methodology box, this page.

## Seasonal adjustments to the insured unemployment rate and what they say

**W**hether it's retail sales, home purchases, demand for heating fuel, or unemployment rates, they all have a yearly pattern called seasonality. Seasonality is simply the observance of a reoccurring pattern in a data series year after year.

For example, retail sales are expected to increase at a certain time during the year: the weekend after Thanksgiving – the official start of the holiday shopping season – and December, when the shopping season is in full swing.

The seasonality – the reoccurring pattern, often driven by one or more periods a year or by the

seasons – is usually quite visible in time series data. The objective of identifying seasonality is to differentiate between a typical response to a reoccurring change in the seasons (the expected change) versus underlying changes in the demand (unexpected change).

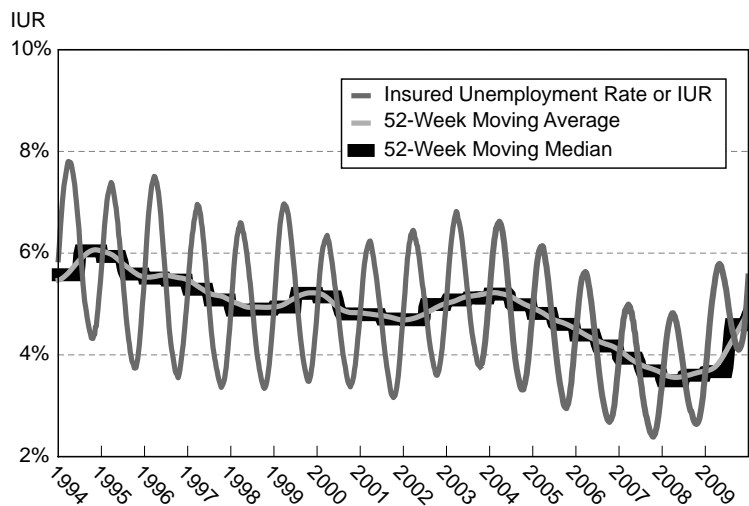
Unemployment rates are notably subject to seasonal fluctuations, and the insured unemployment rate, or the IUR, is no exception. Much as the standard unemployment rate is used to count individuals who are out of work and looking for work, as a percentage of the labor force, the IUR is simply a narrower measure of the unemployed that focuses solely on those filing for unemployment insurance benefits as a percentage of those covered under the unemployment insurance system.

Alaska's IUR has clear high and low points that repeat themselves year after year. Usually it peaks around the 13<sup>th</sup> week of the year and hits its low point around the 41<sup>st</sup> week. (See Exhibit 1.)

The driving force of that seasonality in the rate<sup>1</sup> is due to a large number of seasonal workers filing claims as their period of employment during the year comes to a close. Whether it's seafood processing employees working during fishing openings or construction workers during the construction season, their employment will naturally ebb and flow within these annual cycles. For Alaska, the winter months are the hardest on employment, and that leads to an increased number of people filing claims for unemployment insurance benefits in winter.

<sup>1</sup> All references to "the rate" throughout this article are to the IUR.

### 1 The Insured Unemployment Rate<sup>1</sup> Alaska, 1994 to 2009<sup>2</sup>



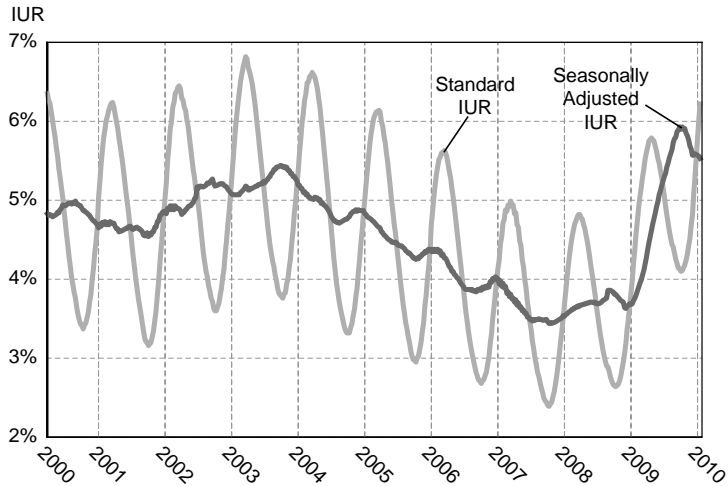
Note: All Alaska's claimants are shown – in-state claimants and claimants who file from out of state.

<sup>1</sup> The IUR shown in this exhibit is not seasonally adjusted.

<sup>2</sup> Beginning with the first week of 1994 and ending with the 52nd week of 2009

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

## 2 The Standard and Seasonal IUR Alaska, 2000 to 2010<sup>1</sup>



Note: The IUR is the insured unemployment rate.

<sup>1</sup> Beginning with the 13th week of 2000 and ending with the fourth week of 2010

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

### Why seasonally adjust data sets?

Seasonal adjustments are made to time series data in an attempt to identify underlying trends. By identifying the pattern, as mentioned earlier, it's possible to differentiate changes that are expected from those that are not. We expect to see the IUR increase during the first part of the year and then fall as summer approaches. However, it can be difficult to distinguish that natural occurrence from a fundamental change in the labor force in the short-run. (By fundamental change, we mean a change in the value of some measure that isn't due to expected fluctuations or random shocks.)

When analyzing time series data, two main components will be present: a trend or cycle, and a seasonal component. The trend portion of the data set is what we're after, as the seasonality can cloud the picture when we're trying to pinpoint fundamental changes over short periods.

### The seasonal adjustment to the IUR

In order to produce the individual components of the time series, unemployment insurance weeks claimed data from 2000 to 2009 were run through a seasonal decomposition in a

statistical software package.<sup>2</sup> The seasonal decomposition first finds a statistical best-fit for the trend or cycle component and from there produces the seasonal factors that are used to produce the adjusted level of weeks claimed.

Once we have an adjusted level of weeks claimed for 2000 through 2009, calculating an adjusted rate is all that's left. The standard IUR is calculated by taking the average of the most recent 13 weeks of the weeks claimed and dividing that by the previous four quarters of covered employment. That's done to approximate a rate or percentage of those who are covered by the unemployment insurance system and are filing for benefits.

### What does the new measure tell us about the Alaska economy?

Using the same formula and base so a comparison is sound, we calculated an adjusted IUR. (See Exhibit 2.) While the standard IUR follows its seasonal variation, the adjusted rate highlights the underlying demand for unemployment insurance benefits.

The recession of 2001 began a period of increasing insured unemployment rates until 2004. Between 2004 and mid-2007, the rate continually fell as covered employment grew substantially, especially in less-seasonal industries such as retail trade. And, in addition to an increasing covered work force over the period, the claimant population also steadily decreased, from 61,544 claimants in 2004 to 45,343 in 2008. (See Exhibit 3.) In other words, in terms of the IUR, the numerator was shrinking while the denominator was growing.

That brings us to the bust of 2008, when business and consumer confidence collapsed as a result of the financial crisis. That gave rise to a real increase in the demand for unemployment insurance benefits in the latter part of 2008 and virtually all of 2009 in the seasonally adjusted series.

Even though the recession officially began in December 2007 according to the National Bu-

<sup>2</sup> The statistical software package is the Statistical Package for the Social Sciences, or SPSS.

reau of Economic Research,<sup>3</sup> neither employment nor unemployment insurance claims were fully reflective of the change in direction until 2009. Between 2008 and 2009, the claimant population as a whole grew from 45,343 to 63,630, or slightly more than 40 percent.

### Labor-intensive industries drive the IUR

The industries that employ a large number of workers – particularly in those industries that are seasonal – are the significant drivers of the IUR.

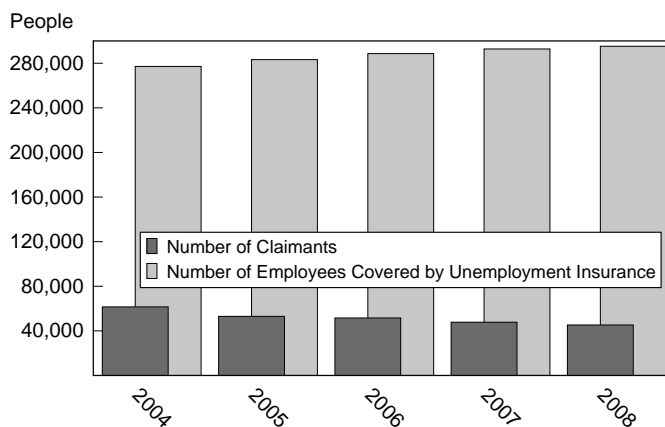
The construction, manufacturing and trade industries together had 25,110 workers who filed for unemployment benefits in 2009 – nearly 40 percent of the total claimants who filed for Alaska unemployment benefits that year. The current recession not only disproportionately impacted sectors like construction, but it also has worked to reduce individuals’ discretionary purchases, and that impacts the trade sector as well.

Construction was the industry that led the pack in 2009 with 10,780 claimants – 17 percent of the total claimant population. Claims from workers in the construction industry increased by 2,799, or 35 percent, from 2008. That’s a clear reflection of the lack of work available in the off-season due to the downturn. And although construction’s 35 percent increase was smaller than the 40 percent increase for all Alaska claimants, the sheer number of people in the construction industry filing for unemployment benefits makes that industry a driving force. (See Exhibit 4.)

The manufacturing industry, which is made up mostly of seafood processing workers, represented the second-highest level in 2009 with 7,268 claimants, or 11.4 percent of Alaska’s total claimants. That’s an increase of 1,459 claimants, or 25 percent, from 2008. Similar to construction, the 25 percent increase is smaller than the increase for all Alaska’s claimants. But because seafood processing is both seasonal and extremely labor-intensive, it also has a significant impact on the rate.

<sup>3</sup> The National Bureau of Economic Research is a private group of economists charged with dating the start and end of national economic downturns.

## Claimants vs. Covered Employment Alaska, 2004 to 2008



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

The trade industry came in a close third after manufacturing in terms of its share of total claimants, with an increase of 2,394 claimants, a 51 percent increase, from 2008. That brought the total number of claimants from trade in 2009 to 7,062.

Another category to keep an eye on is accommodations and food services. It had 5,866 claimants in 2009, an increase of 1,845, or nearly 46 percent, from 2008.

As Alaska’s economy recovers, look for changes in both trade, and accommodations and food services, as the number of consumers and the amount they buy will have a big influence on unemployment claims in those consumer-driven sectors.

No analysis of Alaska’s claimants would be complete without mentioning the mining industry. Oil and gas support activities, a subcategory of the mining industry, did see a significant increase in both the number of claims and percentage change. There were 2,345 claimants from oil and gas support activities in 2009, which was up 100 percent from 2008. The 2,345 represented 66 percent of the total mining industry.

In addition, claimants from the mining industry accounted for 5.6 percent of all Alaska claimants in 2009, up from 3.9 percent in 2008.

# 4 Claimants by Industry

## Unemployment insurance benefits,<sup>1</sup> 2009

	Claimants <sup>2</sup> in 2009	Change in Number from 2008 to 2009	Percent Change from 2008 to 2009
Agriculture, Forestry, Fishing and Hunting <sup>3</sup>	398	29	7.9%
Mining, Quarrying and Oil and Gas Extraction	3,555	1,797	102.2%
Support Activities for Oil and Gas Operations	2,345	1,183	101.8%
Utilities	245	26	11.9%
Construction	10,780	2,799	35.1%
Manufacturing	7,268	1,459	25.1%
Food Manufacturing <sup>4</sup>	6,364	1,147	22.0%
Wood Products Manufacturing	205	100	95.2%
Wholesale Trade (and) Retail Trade	7,062	2,394	51.3%
Transportation and Warehousing	4,066	1,205	42.1%
Information	785	311	65.6%
Finance and Insurance	990	256	34.9%
Real Estate and Rental and Leasing	1,186	289	32.2%
Professional, Scientific and Technical Services	1,984	841	73.6%
Management of Companies and Enterprises	54	26	92.9%
Administrative and Support and Waste Management and Remediation Services	3,345	1,205	56.3%
Educational Services <sup>5</sup>	1,418	307	27.6%
Health Care and Social Assistance	4,787	960	25.1%
Arts, Entertainment and Recreation	819	248	43.4%
Accommodations and Food Services	5,866	1,845	45.9%
Other Services (except Public Administration)	1,859	515	38.3%
Public Administration <sup>6</sup>	5,455	995	22.3%
All Industries <sup>7</sup>	63,630	18,287	40.3%

### Notes:

The industry categories are according to the North American Industry Classification, or NAICS. The categories are at the broadest level (the two-digit level), with the exception of Support Activities for Oil and Gas Operations (the six-digit level), and Food Manufacturing and Wood Product Manufacturing (the three-digit level). For more information, on the Web go to [www.census.gov/naics](http://www.census.gov/naics).

<sup>1</sup> The majority of Alaska workers who are paid wages are covered by the state's unemployment insurance laws. Those who aren't covered include the self-employed, business owners, fishermen, unpaid volunteers or family workers and private household workers. Federal workers are also not covered.

<sup>2</sup> Claimants represent a count of individuals who had just worked for employers classified in the particular industry category, and who collected at least one week of unemployment insurance benefits during the year. All Alaska's claimants are shown – in-state claimants and claimants who file from out of state. No individual is counted twice within a year.

<sup>3</sup> This category tends to be mostly loggers.

<sup>4</sup> Includes seafood processing

<sup>5</sup> Includes public and private education

<sup>6</sup> Local (except teachers), state and federal government

<sup>7</sup> The All Industries total may not equal the sum of individual industries as unclassified claimants aren't included in the industry breakouts.

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

In short, all industries are showing an increase in the number of claimants, which is indication of a softening in the labor market across the board. The seasonally adjusted IUR highlights that dramatic change in direction, beginning in 2008 and turning up significantly in 2009.

However, it's important to point out that toward the end of 2009 and in the first few weeks of 2010, the adjusted rate turned down while the standard rate continued to rise. (See Exhibit 2.) The fact that the two rates have diverged recently is reflective of a less-than-expected increase in the weeks claimed. This should be viewed as good news as it indicates that things are settling down. That is, they aren't getting worse.



## Unemployment rate begins the year at 8.5 percent

**A**laska's seasonally adjusted unemployment rate for January was 8.5 percent.

All the state's labor force data for 2009 were revised as part of the annual production of these statistics, which means December's revised unemployment rate was 8.8 percent.

The comparable national rate for January fell three-tenths of a percentage point to 9.7 percent. (See Exhibits 1 and 3.)

The unemployment rates for both Alaska and the U.S. were higher than they were a year ago but both rates also improved somewhat between December 2009 and January. It's still too early to tell if the monthly improvement is developing into a more permanent trend.

### Will it improve?

During the upcoming months it will be important to keep an eye on both the state and national unemployment rates. If the national rates continue to improve, that should eventually take some pressure off of Alaska's jobless picture. If that happens, it could translate into fewer job seek-

ers from the more distressed areas of the country coming north looking for work. It might also mean a more typical outflow of job seekers from Alaska looking for jobs elsewhere in the U.S.

### Current rate means a competitive labor market

Given the current outlook for the national job market, an improved labor market is more likely to develop in 2011 rather than this year. Joblessness remains at near-record highs in the country. Jobs are still being lost in most states, although in smaller numbers.

The dreary employment picture also exists in many of the states that are in relative proximity to Alaska and that supply a steady stream of job seekers to the state: Washington, Oregon, California, Idaho and Nevada. (See Exhibit 5.) Unemployment rates in those states increased faster than Alaska's and all of them are higher.

Since early 2008 in California alone, the number of unemployed grew by 1.2 million, and in Washington and Oregon, the number increased by more than 107,000 and 171,000 respectively. That suggests that Alaska is likely to continue to have a larger-than-usual influx of job seekers from other states when Alaska's big seasonal hiring months begin.

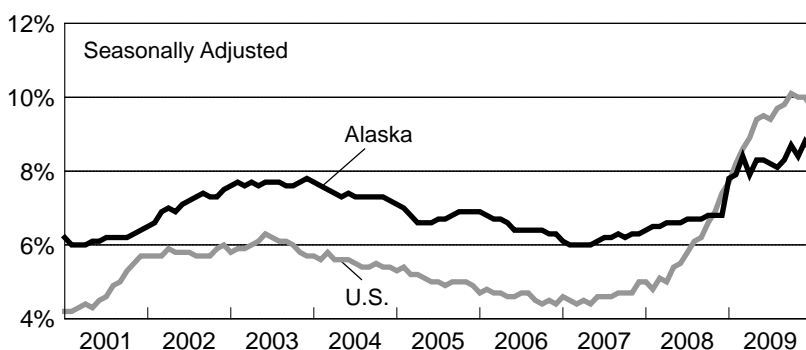
Whether that's the case or not, there's little doubt that Alaskans who rely heavily on the summer months for most of their employment and wages will face a very competitive job market this year.

### Unemployment varies around the state

When we drill down more deeply into Alaska's boroughs and census areas, the labor force pic-

*(Continued on Page 21)*

## 1 Unemployment Rates, Alaska and U.S. January 2001 to January 2010



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

## 2 Statewide Employment Nonfarm wage and salary

	Revised			Year-Over-Year Change		
	1/10	12/09	1/09	1/09	90% Confidence Interval	
<b>Alaska</b>						
<b>Total Nonfarm Wage and Salary<sup>1</sup></b>	306,800	307,200	302,700	4,100	-3,283	11,483
Goods-Producing <sup>2</sup>	38,700	34,700	38,800	-100	-2,984	2,784
Service-Providing <sup>3</sup>	268,100	272,500	263,900	4,200	-	-
<b>Mining and Logging</b>	14,300	14,600	15,400	-1,100	-1,893	-307
Logging	100	100	100	0	-	-
Mining	14,200	14,500	15,400	-1,200	-	-
Oil and Gas	12,200	12,200	13,400	-1,200	-	-
<b>Construction</b>	12,300	13,600	12,900	-600	-3,183	1,983
<b>Manufacturing</b>	12,100	6,500	10,500	1,600	606	2,594
Wood Product Manufacturing	300	300	400	-100	-	-
Seafood Processing	8,100	3,000	6,900	1,200	-	-
<b>Trade, Transportation, Utilities</b>	60,600	61,700	60,000	600	-1,772	2,972
Wholesale Trade	6,000	6,000	6,200	-200	-756	356
Retail Trade	34,900	35,600	34,200	700	-1,328	2,728
Food and Beverage Stores	6,300	6,300	6,100	200	-	-
General Merchandise Stores	9,900	10,100	9,800	100	-	-
Transportation, Warehousing, Utilities	19,700	20,100	19,600	100	-938	1,138
Air Transportation	6,100	6,300	5,800	300	-	-
Truck Transportation	2,900	3,000	2,900	0	-	-
<b>Information</b>	6,400	6,400	6,700	-300	-881	281
Telecommunications	4,200	4,200	4,400	-200	-	-
<b>Financial Activities</b>	14,100	14,400	14,300	-200	-2,143	1,743
<b>Professional and Business Services</b>	23,600	24,400	25,200	-1,600	-3,393	193
<b>Educational<sup>4</sup> and Health Services</b>	40,100	39,700	37,900	2,200	932	3,468
Health Care	29,000	28,800	27,400	1,600	-	-
<b>Leisure and Hospitality</b>	27,500	28,700	26,500	1,000	-1,037	3,037
Accommodations	6,100	6,200	6,000	100	-	-
Food Services and Drinking Places	17,600	18,600	16,900	700	-	-
<b>Other Services</b>	11,500	11,500	11,100	400	-2,777	3,577
<b>Government</b>	84,400	85,800	82,200	2,200	-	-
Federal Government <sup>5</sup>	16,300	16,600	16,200	100	-	-
State Government	25,000	25,700	24,500	500	-	-
State Government Education <sup>6</sup>	7,000	7,800	7,000	0	-	-
Local Government	43,100	43,400	41,500	1,600	-	-
Local Government Education <sup>7</sup>	24,600	24,700	23,700	900	-	-
Tribal Government	3,500	3,600	3,400	100	-	-

Notes for Exhibits 2 and 4:

A dash indicates that confidence intervals aren't available at this level.

<sup>1</sup> Excludes the self-employed, fishermen and other agricultural workers, and private household workers; for estimates of fish harvesting employment, and other fisheries data, go to [labor.alaska.gov/research/seafood/seafood.htm](http://labor.alaska.gov/research/seafood/seafood.htm)

<sup>2</sup> Goods-producing sectors include natural resources and mining, construction and manufacturing.

<sup>3</sup> Service-providing sectors include all others not listed as goods-producing sectors.

<sup>4</sup> Private education only

<sup>5</sup> Excludes uniformed military

<sup>6</sup> Includes the University of Alaska

<sup>7</sup> Includes public school systems

<sup>8</sup> Fairbanks North Star Borough

Sources for Exhibits 2 and 3: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics

Sources for Exhibit 4: Alaska Department of Labor and Workforce Development, Research and Analysis Section; also the U.S. Department of Labor, Bureau of Labor Statistics, for Anchorage/Mat-Su and Fairbanks

## 4 Regional Employment Nonfarm wage and salary

	Revised			Changes from		Percent Change	
	1/10	12/09	1/09	12/09	1/09	12/09	1/09
Anch/Mat-Su	165,700	168,800	165,500	-3,100	200	-1.8%	0.1%
Anchorage	146,300	149,600	146,400	-3,300	-100	-2.2%	-0.1%
Gulf Coast	26,350	26,300	26,200	50	150	0.2%	0.6%
Interior	41,200	42,800	41,200	-1,600	0	-3.7%	0.0%
Fairbanks <sup>8</sup>	35,400	37,300	35,600	-1,900	-200	-5.1%	-0.6%
Northern	19,700	20,150	20,350	-450	-650	-2.2%	-3.2%
Southeast	31,750	32,800	31,750	-1,050	0	-3.2%	0.0%
Southwest	18,150	15,150	18,350	3,000	-200	19.8%	-1.1%

## 3 Unemployment Rates Borough and census area

	Prelim.	Revised	
	1/10	12/09	1/09
<b>SEASONALLY ADJUSTED</b>			
<b>United States</b>	9.7	10.0	7.7
<b>Alaska Statewide</b>	8.5	8.8	7.8
<b>NOT SEASONALLY ADJUSTED</b>			
<b>United States</b>	10.6	9.7	8.5
<b>Alaska Statewide</b>	9.6	8.2	8.8
<b>Anchorage/Mat-Su Region</b>	8.3	7.0	7.6
Anchorage Municipality	7.5	6.2	6.9
Mat-Su Borough	11.3	9.7	10.2
<b>Gulf Coast Region</b>	12.1	10.3	12.1
Kenai Peninsula Borough	13.1	10.8	11.9
Kodiak Island Borough	7.4	6.4	13.1
Valdez-Cordova Census Area	12.8	12.7	11.5
<b>Interior Region</b>	10.2	8.8	8.9
Denali Borough	24.3	21.1	24.0
Fairbanks North Star Borough	9.1	7.8	8.0
Southeast Fairbanks CA	13.8	12.1	11.8
Yukon-Koyukuk Census Area	19.6	17.9	16.9
<b>Northern Region</b>	10.2	8.2	9.5
Nome Census Area	14.0	11.8	13.1
North Slope Borough	5.1	3.7	4.8
Northwest Arctic Borough	14.6	11.7	13.7
<b>Southeast Region</b>	10.5	9.7	9.4
Haines Borough	14.6	15.9	13.3
Hoonah-Angoon Census Area <sup>1</sup>	28.3	29.4	26.4
Juneau Borough	7.3	6.5	6.5
Ketchikan Gateway Borough <sup>1</sup>	10.9	9.2	9.6
Prince of Wales-Outer Ketchikan CA <sup>1</sup>	20.5	20.6	17.0
Sitka Borough	8.7	7.7	7.9
Skagway Municipality <sup>1</sup>	21.6	21.9	19.4
Wrangell-Petersburg CA <sup>1</sup>	15.7	15.0	13.8
Yakutat Borough	16.3	13.0	15.1
<b>Southwest Region</b>	13.6	12.4	14.8
Aleutians East Borough	8.7	8.2	18.3
Aleutians West Census Area	6.5	5.3	14.0
Bethel Census Area	15.5	14.4	14.4
Bristol Bay Borough	13.3	14.3	11.2
Dillingham Census Area	11.7	10.5	11.9
Lake and Peninsula Borough	13.3	11.0	9.6
Wade Hampton Census Area	21.4	20.5	20.0

<sup>1</sup> Because of the creation of new boroughs, this borough or census area has been changed or no longer exists. Data for the Skagway Municipality and Hoonah-Angoon Census Area (previously Skagway-Hoonah-Angoon Census Area) became available in 2010. Data for the Wrangell Borough, and Petersburg and Prince of Wales-Hyder census areas will be available in 2011. Until then, data will continue to be published for the old areas.

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

[laborstats.alaska.gov](http://laborstats.alaska.gov)

(Continued from Page 19)

ture in January was disparate. Looking at not seasonally adjusted unemployment rates,<sup>1</sup> with the exception of Anchorage/Mat-Su, all the other regions in the state were in the double digits – not an altogether unusual occurrence during the winter months.

In most of the state's larger urban areas, including Anchorage, Fairbanks, Juneau and Sitka, where seasonality is less of a factor, the unemployment rates for the most part fell short of double-digit levels.

There were a few more rural parts of the state with below-average jobless rates, including the Kodiak Island and Aleutians East boroughs, and the Aleutians West Census Area. That's because all three of those areas are heavily involved in fishing for pollock and cod (the A season), which got underway in January. Seafood processing employment in the state more than doubled between December and January. (See Exhibit 2.)

In most other areas of the state, unemployment rates were higher than the nation's.

### The jobless rate is very high in some areas

Five areas of the state had unemployment rates of more than 20 percent in January – or more than double the nation's. (See Exhibit 3.) The economies of two of those areas, the Denali Borough and Skagway Municipality, are in the hands of the visitor industry, which closed down in both four or five months ago.

Yet, during the middle of the visitor season, both areas typically have some of the lowest jobless rates in the state. Last July, for example, the Denali Borough's rate was 2.8 percent. However, with significantly fewer cruise ships<sup>2</sup> arriving in the state next summer, Denali's and Skagway's jobless rates may not fall as dramatically as they usually do.

<sup>1</sup> References to unemployment rates in the rest of the article are to not seasonally adjusted rates.

<sup>2</sup> Many of the Denali Borough's visitors each year either start or end their vacations as cruise ship passengers.

## Alaska and Other States January rates, 2009 and 2010

# 5

	January 2010 Unemployment Rate <sup>1</sup>	January 2009 Unemployment Rate <sup>1</sup>
Alaska	8.5%	7.8%
Washington	9.3%	7.5%
Oregon	10.7%	9.9%
California	12.5%	9.7%
Idaho	9.3%	6.7%
Nevada	13.0%	9.6%
U.S.	9.7%	7.7%

<sup>1</sup> All rates are preliminary and seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics

The other three areas that had rates above 20 percent were the Wade Hampton, Hoonah-Angoon and Prince of Wales-Outer Ketchikan<sup>3</sup> census areas.

Wade Hampton often tops the jobless rate list. Its population lives in 13 small villages, mostly in the Yukon Delta. Jobs are always scarce, no matter what time of year it is, and there's no commercial hub. More than two-thirds of the wage and salary jobs are in government – not because there are a lot of public-sector jobs, but because there are only a handful of private-sector jobs.

The two Southeast census areas – Hoonah-Angoon and Prince of Wales-Outer Ketchikan – also have double-digit unemployment rates most of the year. Both areas have suffered from long-term losses of logging activity. But, unlike Wade Hampton, fishing, tourism and other economic activity brightens the job picture some during the summer months.

Other areas the state, such as the Yukon-Koyukuk Census Area, also registered very high jobless rates in January.

<sup>3</sup> The Prince of Wales-Outer Ketchikan Census Area has become the Prince of Wales-Hyder Census Area, but job data for the latter won't be available until 2011. Until then, data will be published for the old area.

### Changes in Producing the Estimates

The U.S. Department of Labor's Bureau of Labor Statistics has implemented a change to the method used to produce statewide wage and salary employment estimates.

That change has resulted in increased monthly volatility in the wage and salary estimates for many states, including Alaska. The increased volatility was evident in Alaska's statewide January employment estimates.

Therefore, one should be very cautious in interpreting any over-the-year or month-to-month change for these monthly estimates. The Quarterly Census of Employment and Wages series may be a better source of information for trends analysis. On the Web, go to [labor.alaska.gov/qcew.htm](http://labor.alaska.gov/qcew.htm).

# A Safety Minute

## Alaska's Whistle-Blower Law

The Alaska Department of Labor and Workforce Development's Alaska Occupational Safety and Health, called AKOSH, is responsible for enforcing the state's whistle-blower law, Alaska Statute 18.60.089.

The law states that it's illegal for an employer to retaliate against an employee for expressing workplace safety and health concerns, participating in an AKOSH enforcement inspection or for testifying in any proceeding related to an AKOSH inspection. Those activities are considered protected under Alaska law as adopted by Section 11(c) of the Occupational Safety and Health Act of 1970.

In addition to AS 18.60.089, it's unlawful for an employer to discriminate against an employee for reporting a work-related fatality, injury or illness under Alaska Administrative Code 8 AAC 61.1010(a).

A person who is filing a complaint of discrimination or retaliation will be required to show that (1) he or she engaged in a protected activity, (2) the employer knew about that activity, (3) the employer subjected him or her to an adverse employment action, and (4) the protected activity contributed to the adverse action.

Adverse employment action is generally defined as a material change in the terms or conditions of employment. Depending on the circumstances of the case, "discrimination" can include termination, blacklisting, demotion, denying overtime, denial of benefits and so forth.

If the evidence supports an employee's allegation, the law allows for appropriate relief, including reinstatement and back pay.

There are limited protections for employees who refuse to do a job because conditions are hazardous. As an employee, you may refuse to do a job under the Occupational Safety and Health Act only when (1) you believe that you face death or serious injury, (2) you have tried to get your employer to correct the condition and there's no other way to do the job safely, and (3) the situation is so urgent that you don't have time to eliminate the hazard through regulatory channels such as calling AKOSH. Regardless of the unsafe condition, you aren't protected under the Occupational Safety and Health Act if you simply walk off the job.

In addition, AKOSH can't enforce union contracts or state laws that give employees the right to refuse work.

If you believe your employer has retaliated against you because you engaged in a protected activity or activities as defined above, you must file a written complaint with the department within 30 days of the adverse employment action.

For more information, call Daniella Pereyra, an investigator with AKOSH, at (907) 269-4942. Or call one of AKOSH's general numbers – (800) 770-4940 or (907) 269-4940. AKOSH is within the Department of Labor's Labor Standards and Safety Division.

AKOSH's Web site is at [labor.alaska.gov/lss/osshome.htm](http://labor.alaska.gov/lss/osshome.htm). You can also reach it by going to the State of Alaska Web site at [alaska.gov](http://alaska.gov), click on "Departments" in the gold ribbon at the top, then "Department of Labor and Workforce Development." Then click on "Labor Standards and Safety," and "Occupational Safety and Health Section."

# Employer Resources

## **Finding Tax Credits and Filing Employer Taxes: Make It Faster, Easier and More Beneficial**

With the tax season upon us, if you're an employer and your main focus is your bottom line, there are tax credits and deductions available that may help in today's economy. Easy access to your employer tax information, plus new online reporting and filing tools can also help make filing less stressful.

A great place to learn more about both tax credits and deductions is the IRS Tax Guide for Small Businesses (Publication 334). Tax credits can be found on Page 18 and tax deductions can be found on Page 31 of the guide, which is available on the IRS' Web site at <http://www.irs.gov/pub/irs-pdf/p334.pdf>.

The Alaska Department of Labor and Workforce Development's Work Opportunity Tax Credit program can save employers as much as \$2,400 to \$9,000 for hiring job seekers in specific target groups. At the same time, the program helps people get on-the-job work experience and better jobs.

Information on the Work Opportunity Tax Credit program is available on the program's Web site at [jobs.alaska.gov/wotc.htm](http://jobs.alaska.gov/wotc.htm). Or call Janneth Bronyraur, the WOTC program's coordinator, at (907) 465-5956.

TaxWeb, the department's online unemployment insurance tax system, allows employers, after registering, to calculate their unemployment insurance taxes, compile quarterly reports, view their payment history, update contact information, register a new business or close an existing account. The program gives employers the option of paying their taxes online or mailing their payments.

TaxWeb also has a demonstration feature that walks employers through each screen with pop-up blurbs that explain the questions that are asked on the online forms. TaxWeb is online at [labor.alaska.gov/estax/home.htm](http://labor.alaska.gov/estax/home.htm). Or go to the department's Web site at [labor.alaska.gov](http://labor.alaska.gov), click on "Employers" in the gold ribbon at the top, then "Employment Security Tax."

The department's *Alaska Employer Resource Manual* might also be helpful. It gives a detailed overview of the employer services available through the department, and it gives employers a working knowledge of state and federal requirements. The manual is online at [jobs.alaska.gov/handbook/AERM.pdf](http://jobs.alaska.gov/handbook/AERM.pdf). Or go to the department's Web site at [labor.alaska.gov](http://labor.alaska.gov) and click on "Employers" in the gold ribbon at the top, then "Alaska Employer Resource Manual."

As far as filing your federal taxes, the IRS' free online tax preparation and filing tool called Free File can help you find information, file forms and process your returns faster. Free File is at [www.freefile.irs.gov](http://www.freefile.irs.gov).

The Alaska Department of Labor understands that your continued success in the private sector ensures business for you and stability for Alaska's economy.

For information about any of the department's programs, people may also call or stop by any Alaska Job Center, or call (877) 724-ALEX (2539).