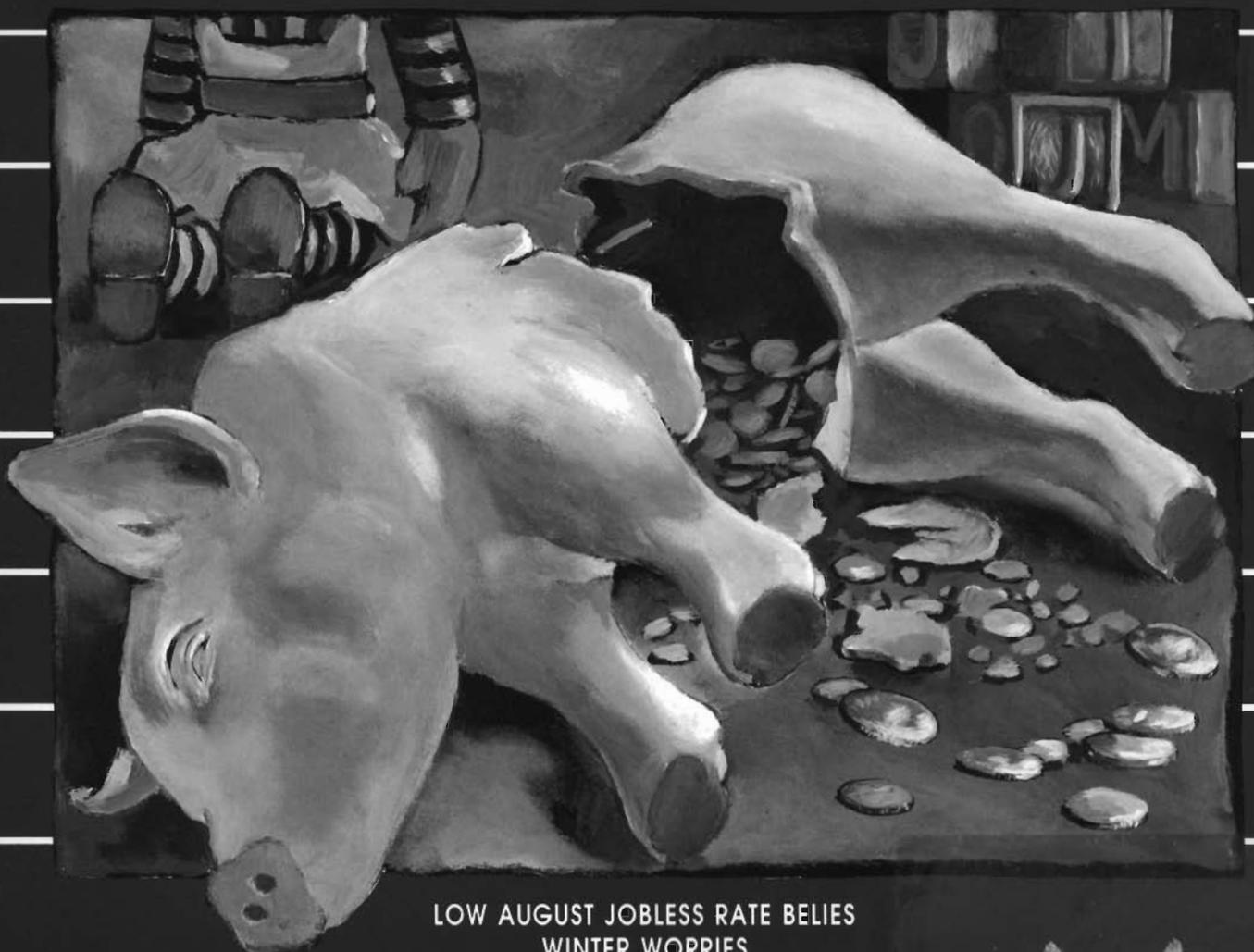


ALASKA ECONOMIC

TRENDS

MONEY IS GETTING A LITTLE TIGHT



LOW AUGUST JOBLESS RATE BELIES
WINTER WORRIES

November 1994

ALASKA DEPARTMENT OF LABOR
WALTER J. HICKEL, GOVERNOR

ALASKA ECONOMIC TRENDS

Contents

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**Alaska
Employment
Service**



1 Money is Getting A Little Tight

9 Alaska's Employment Scene

Low August Jobless Rate
Belies Winter Worries

Employment Scene Tables:

- | | |
|----|---|
| 10 | Nonagricultural Wage and Salary Employment—Alaska & Anchorage |
| 10 | Hours and Earnings for Selected Industries |
| 11 | Nonagricultural Wage and Salary Employment in Other Economic Regions |
| 12 | Unemployment Rates by Region and Census Area |

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Money Is Getting A Little Tight

by Neal Fried

Alaskans became \$711 million richer in 1993. And if you add up all of the income, from all of the state's residents, from all sources, they earned a total of \$13.8 billion dollars that same year. (See Table 1.) It sounds impressive and in some ways it is. However, from the standpoint of historical trends, 1993 was an unexceptional year. Moderate income growth characterizes the 1990s when compared to the two previous decades in Alaska. (See Figure 1).

Lagging economic growth translates into fewer new jobs, which causes this downward tug in income gains. It is not a surprising result considering that 64.9% of Alaskans' personal income comes from wages and salaries.

Not too much should be read into these year-to-year changes in the income figures. There are too many factors such as population, residency and income sources which are based on relatively rough measures that could at times be the primary or secondary reasons for the year-to-year changes. Only significant annual changes or long-term trends should be given much notice.

All of the personal income data presented in this article is produced by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA). On an annual basis it is the most comprehensive measure of Alaska's personal income.

\$23,008 for every man, woman and child in Alaska

Another measure of personal income is per capita income. To arrive at Alaska's 1993 \$23,008 per capita income figure, the state's total personal income is divided by the resident population—that is every man, woman and child. Because of the broad scope of this indicator, many economists believe it is one good measure of a population's economic well-being. But because it is an average figure, the important question of income distribution is not addressed.

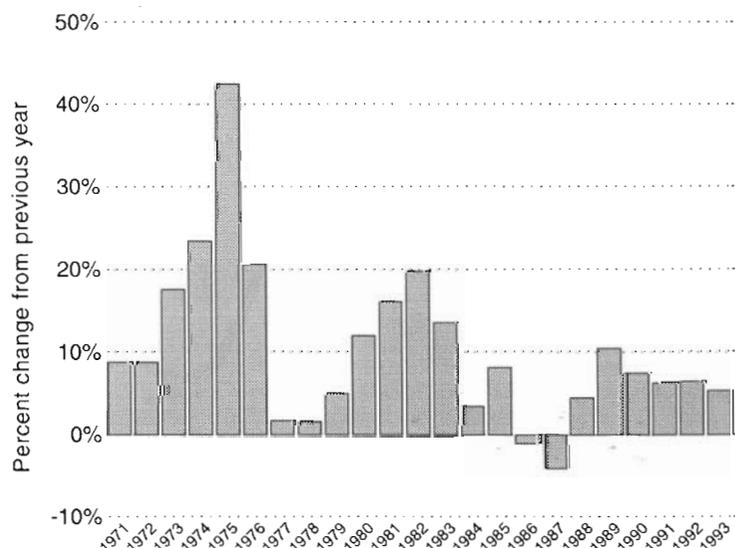
Demographics can affect income

Because per capita income is a measure of the entire population, its long-term and in some cases short-term changes are affected not only by the vagaries of the economy but also by demographic trends. Forces such as changing participation in the work force, family size, the number of dependents, residency and other factors can affect its outcome. For example, the tremendous increase of female participation in the work force during the past three decades has meant a much larger share of the population is actively earning income. Initially it helped boost per capita income and later it helped prevent it from falling precipitously. Another example took place in the mid-1970s when Alaska per capita income reached its pinnacle. The fat paychecks earned during the construction of the Trans-Alaska Pipeline were not the sole reason for the record income figures. It was also because many of these workers were single and without dependents.

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

Figure • 1

Alaska's Total Personal Income Growth Meager from Historical Perspective



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

T a b l e • 1

**Total and Per Capita Personal Income
Alaska and U.S. 1980-1993**

| | Total in Millions of Dollars | | Per Capita in Dollars | | Alaska Per Capita as % of U.S. Average |
|------|---------------------------------|-----------|--------------------------|--------|--|
| | Alaska | U.S. | Alaska | U.S. | |
| 1980 | 5,541 | 2,259,006 | 13,692 | 9,940 | 138 |
| 1981 | 6,431 | 2,526,009 | 15,368 | 11,009 | 140 |
| 1982 | 7,704 | 2,683,456 | 17,134 | 11,583 | 148 |
| 1983 | 8,750 | 2,857,710 | 17,914 | 12,223 | 147 |
| 1984 | 9,060 | 3,144,363 | 17,634 | 13,332 | 132 |
| 1985 | 9,805 | 3,368,069 | 18,411 | 14,155 | 130 |
| 1986 | 9,695 | 3,579,783 | 17,810 | 14,906 | 119 |
| 1987 | 9,299 | 3,789,297 | 17,240 | 15,638 | 110 |
| 1988 | 9,720 | 4,061,806 | 17,931 | 16,610 | 108 |
| 1989 | 10,741 | 4,366,135 | 19,361 | 17,690 | 109 |
| 1990 | 11,550 | 4,655,420 | 20,887 | 18,667 | 112 |
| 1991 | 12,280 | 4,840,768 | 21,592 | 19,199 | 112 |
| 1992 | 13,074 | 5,135,062 | 22,244 | 20,131 | 110 |
| 1993 | 13,785 | 5,359,589 | 23,008 | 20,781 | 111 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

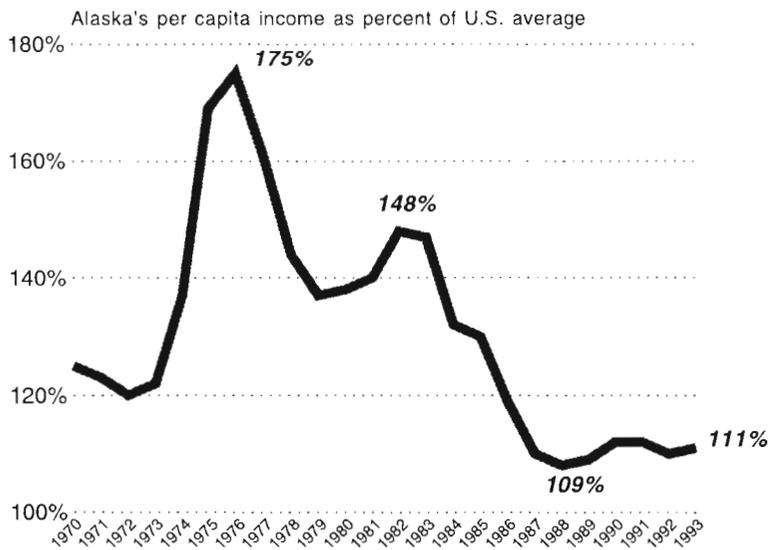
Alaska's income advantage slips but so does the cost of living

For the second year in a row Alaska's per capita income ranked eighth in the nation. (See Table 2.) Alaska was dethroned in 1986 from the number one spot in the nation when stronger economic growth propelled a number of states and the District of Columbia ahead of Alaska.

Like total personal income, per capita income growth has lagged in recent years. During the 1970s per capita income grew at an unprecedented rate of 10.5% per year. In the 1980s this rate of increase slowed to 4.3%, but this was still impressive considering that three of these years Alaska was mired in the worst recession in its history. In the 1990s the average annual rate of growth thus far has slowed to 3.3%. Alaska's more moderate performance of late has meant a substantial narrowing of its historical income advantage as compared to the rest of the nation.

F i g u r e • 2

Alaska's Income Advantage Is Disappearing



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

By 1993 Alaska's per capita income advantage shrunk to 111% compared to the rest of the nation—a considerable erosion over time. (See Table 1 or Figure 2). There is evidence that the decline in the per capita income advantage has been ameliorated by a narrowing in Alaska's cost-of-living vis-a-vis the rest of the nation. Lower local tax burdens, the elimination of the state income tax, growing economies of scale, increased business competition and the huge "correction" in Alaska's 1986-1989 housing market effectively narrowed the cost-of-living which existed during most of the state's history. (See the June 1994 issue of *Alaska Economic Trends*.) These changes are most evident in Alaska's more urban areas, particularly those communities connected to the road system. In the more rural parts of the state, this cost-of-living improvement is less apparent.

When it comes to average household income, Alaska's ranking climbs to number six in the nation. (See Table 2.) The larger household size and high participation in the work force might explain some of this boost in the state's ranking.

Per Capita and Household Personal Income by State 1992-1993

| Rank | STATE | 1993 | 1992 | 1992- 1993 Percent Change | 1993 Percent of U.S. | 1993 | |
|----------|----------------------|---------------|---------------|------------------------------------|----------------------------|-------------------------------------|--------------------------------|
| | | | | | | Average Persons per Household | Average Household Income |
| 1 | District of Columbia | \$29,836 | \$28,313 | 5.4 | 144 | 2.24 | \$66,833 |
| 2 | Connecticut | 27,957 | 27,154 | 3.0 | 135 | 2.58 | 72,129 |
| 3 | New Jersey | 26,732 | 26,098 | 2.4 | 129 | 2.71 | 72,444 |
| 4 | New York | 24,771 | 24,138 | 2.6 | 119 | 2.64 | 65,395 |
| 5 | Massachusetts | 24,475 | 23,625 | 3.6 | 118 | 2.57 | 62,901 |
| 6 | Maryland | 23,920 | 23,199 | 3.1 | 115 | 2.66 | 63,627 |
| 7 | Hawaii | 23,378 | 22,420 | 4.3 | 112 | 2.99 | 69,900 |
| 8 | ALASKA | 23,008 | 22,244 | 3.4 | 111 | 2.81 | 64,652 |
| 9 | Nevada | 22,747 | 21,857 | 4.1 | 109 | 2.54 | 57,777 |
| 10 | New Hampshire | 22,169 | 21,729 | 2.0 | 107 | 2.61 | 57,861 |
| 11 | Illinois | 22,534 | 21,781 | 3.5 | 108 | 2.66 | 59,940 |
| 12 | Washington | 21,773 | 21,306 | 2.2 | 105 | 2.56 | 55,739 |
| 13 | California | 21,884 | 21,599 | 1.3 | 105 | 2.82 | 61,713 |
| 14 | Virginia | 21,544 | 20,870 | 3.2 | 104 | 2.60 | 56,014 |
| 15 | Colorado | 21,475 | 20,577 | 4.4 | 103 | 2.52 | 54,117 |
| 16 | Delaware | 21,735 | 21,102 | 3.0 | 105 | 2.61 | 56,728 |
| 17 | Pennsylvania | 21,241 | 20,601 | 3.1 | 102 | 2.57 | 54,589 |
| 18 | Rhode Island | 21,203 | 20,229 | 4.8 | 102 | 2.56 | 54,280 |
| 19 | Minnesota | 20,513 | 21,017 | -2.4 | 99 | 2.59 | 53,129 |
| 20 | Florida | 20,710 | 19,686 | 5.2 | 100 | 2.49 | 51,568 |
| | U.S. | 20,781 | 20,131 | 3.2 | 100 | 2.64 | 54,862 |
| 21 | Michigan | 20,542 | 19,681 | 4.4 | 99 | 2.65 | 54,436 |
| 22 | Kansas | 19,874 | 19,219 | 3.4 | 96 | 2.55 | 50,679 |
| 23 | Wisconsin | 19,822 | 19,115 | 3.7 | 95 | 2.62 | 51,934 |
| 24 | Nebraska | 19,757 | 19,228 | 2.8 | 95 | 2.56 | 50,578 |
| 25 | Ohio | 19,627 | 18,923 | 3.7 | 94 | 2.59 | 50,834 |
| 26 | Wyoming | 19,724 | 18,871 | 4.5 | 95 | 2.65 | 52,269 |
| 27 | Vermont | 19,772 | 18,801 | 5.2 | 95 | 2.56 | 50,616 |
| 28 | Missouri | 19,559 | 18,965 | 3.1 | 94 | 2.55 | 49,875 |
| 29 | Oregon | 19,447 | 18,716 | 3.9 | 94 | 2.54 | 49,395 |
| 30 | Georgia | 19,203 | 18,472 | 4.0 | 92 | 2.66 | 51,080 |
| 31 | Indiana | 19,161 | 18,384 | 4.2 | 92 | 2.59 | 49,627 |
| 32 | Texas | 19,134 | 18,449 | 3.7 | 92 | 2.75 | 52,619 |
| 33 | Maine | 18,775 | 18,167 | 3.3 | 90 | 2.55 | 47,876 |
| 34 | North Carolina | 18,688 | 17,828 | 4.8 | 90 | 2.55 | 47,654 |
| 35 | Tennessee | 18,415 | 17,622 | 4.5 | 89 | 2.57 | 47,327 |
| 36 | Iowa | 18,324 | 18,178 | 0.8 | 88 | 2.53 | 46,360 |
| 37 | Arizona | 18,119 | 17,483 | 3.6 | 87 | 2.63 | 47,653 |
| 38 | South Dakota | 17,977 | 17,344 | 3.6 | 87 | 2.62 | 47,100 |
| 39 | Idaho | 17,540 | 16,676 | 5.2 | 84 | 2.75 | 48,235 |
| 40 | North Dakota | 17,123 | 17,127 | -0.0 | 82 | 2.54 | 43,492 |
| 41 | Montana | 17,413 | 16,379 | 6.3 | 84 | 2.55 | 44,403 |
| 42 | Alabama | 17,106 | 16,496 | 3.7 | 82 | 2.62 | 44,818 |
| 43 | Kentucky | 16,954 | 16,436 | 3.2 | 82 | 2.60 | 44,080 |
| 44 | Oklahoma | 17,035 | 16,475 | 3.4 | 82 | 2.56 | 43,610 |
| 45 | South Carolina | 16,810 | 16,171 | 4.0 | 81 | 2.67 | 44,883 |
| 46 | Louisiana | 16,588 | 15,852 | 4.6 | 80 | 2.74 | 45,451 |
| 47 | New Mexico | 16,333 | 15,520 | 5.2 | 79 | 2.75 | 44,916 |
| 48 | West Virginia | 16,148 | 15,527 | 4.0 | 78 | 2.55 | 41,177 |
| 49 | Utah | 16,138 | 15,503 | 4.1 | 78 | 3.15 | 50,835 |
| 50 | Arkansas | 15,994 | 15,584 | 2.6 | 77 | 2.58 | 41,265 |
| 51 | Mississippi | 14,708 | 14,050 | 4.7 | 71 | 2.75 | 40,447 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis & Bureau of the Census.

T a b l e • 3

Alaska's Per Capita Income by Borough and Census Area 1990-1992

| Area Name | 1990 | 1991 | 1992 | Percent of U.S. | Rank in State | 1991-92 Percent Change |
|---|--------|--------|--------|--------------------|------------------|------------------------------|
| ALASKA | 20,887 | 21,592 | 22,244 | 110.5 | -- | 3.0 |
| U.S. | 18,667 | 19,199 | 20,131 | 100.0 | -- | 4.9 |
| Aleutians East Borough | 17,477 | 19,953 | 22,133 | 110.1 | 11 | 10.9 |
| Aleutians West Census Area | 16,481 | 18,315 | 20,853 | 103.7 | 15 | 13.9 |
| Anchorage, Municipality of | 24,119 | 24,791 | 25,077 | 124.7 | 6 | 1.2 |
| Bethel Census Area | 12,956 | 13,594 | 14,416 | 71.7 | 24 | 6.0 |
| Bristol Bay Borough | 28,259 | 30,578 | 31,159 | 155.0 | 1 | 1.9 |
| Denali Borough | -- | 19,976 | 21,026 | 104.6 | 14 | 5.3 |
| Dillingham Census Area | 17,301 | 20,703 | 21,732 | 108.1 | 12 | 5.0 |
| Fairbanks North Star Borough | 17,195 | 17,706 | 18,435 | 91.7 | 17 | 4.1 |
| Haines Borough | 24,806 | 24,466 | 24,495 | 121.8 | 8 | 0.1 |
| Juneau Borough | 23,666 | 24,304 | 25,390 | 126.3 | 5 | 4.5 |
| Kenai Peninsula Borough | 20,803 | 21,271 | 21,571 | 107.3 | 13 | 1.4 |
| Ketchikan Gateway Borough | 26,236 | 26,333 | 27,761 | 138.1 | 2 | 5.4 |
| Kodiak Island Borough | 20,087 | 20,119 | 20,805 | 103.5 | 16 | 3.4 |
| Lake & Peninsula Borough | -- | 16,537 | 17,275 | 85.9 | 19 | 4.5 |
| Matanuska-Susitna Borough | 15,319 | 15,470 | 15,441 | 76.8 | 22 | -0.2 |
| Nome Census Area | 13,788 | 14,132 | 14,954 | 74.4 | 23 | 5.8 |
| North Slope Borough | 23,255 | 24,135 | 24,153 | 120.1 | 9 | 0.1 |
| Northwest Arctic Borough | 14,524 | 15,158 | 16,121 | 80.2 | 21 | 6.4 |
| Prince of Wales-Outer Ketchikan C.A. | 17,994 | 17,311 | 17,983 | 89.4 | 18 | 3.9 |
| Sitka Borough | 22,235 | 22,981 | 23,697 | 117.9 | 10 | 3.1 |
| Skagway-Yakutat-Angoon C.A. | 21,579 | 23,267 | 24,973 | 124.2 | 7 | 7.3 |
| Southeast Fairbanks Census Area | 15,369 | 16,543 | 17,033 | 84.7 | 20 | 3.0 |
| Valdez-Cordova Census Area | 22,837 | 23,824 | 25,826 | 128.5 | 4 | 8.4 |
| Wade Hampton Census Area | 10,173 | 9,866 | 9,993 | 49.7 | 26 | 1.3 |
| Wrangell-Petersburg Census Area | 23,662 | 24,549 | 26,963 | 134.1 | 3 | 9.8 |
| Yukon-Koyukuk Census Area | 14,188 | 13,862 | 14,406 | 71.7 | 25 | 3.9 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Alaska's Average Monthly Wage by Industry 1983-1993

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|-----------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Statewide | \$2,379 | \$2,382 | \$2,369 | \$2,345 | \$2,308 | \$2,310 | \$2,452 | \$2,471 | \$2,540 | \$2,618 | \$2,660 |
| Mining | 4,550 | 4,703 | 5,311 | 4,921 | 5,171 | 5,126 | 5,249 | 5,438 | 5,713 | 6,196 | 6,205 |
| Oil & Gas | 4,648 | 4,785 | 4,987 | 5,398 | 5,273 | 5,272 | 5,399 | 5,582 | 5,830 | 6,400 | 6,366 |
| Construction | 3,860 | 3,651 | 3,383 | 3,425 | 3,315 | 3,399 | 3,501 | 3,671 | 3,473 | 3,506 | 3,664 |
| Manufacturing | 2,065 | 2,115 | 2,000 | 2,019 | 2,116 | 2,143 | 2,334 | 2,336 | 2,369 | 2,448 | 2,478 |
| Trans., Comm. & Utilities | 2,931 | 2,946 | 2,797 | 2,896 | 2,718 | 2,699 | 3,395 | 2,897 | 2,987 | 3,122 | 3,176 |
| Trade | 1,598 | 1,624 | 1,546 | 1,610 | 1,409 | 1,487 | 1,566 | 1,620 | 1,635 | 1,681 | 1,674 |
| Wholesale | 2,533 | 2,558 | 2,558 | 2,601 | 2,484 | 2,468 | 2,547 | 2,684 | 2,756 | 2,825 | 2,833 |
| Retail | 1,373 | 1,397 | 1,316 | 1,376 | 1,272 | 1,274 | 1,339 | 1,394 | 1,408 | 1,457 | 1,448 |
| Finance, Ins. & Real Estate | 2,017 | 2,122 | 2,252 | 2,173 | 2,258 | 2,216 | 2,187 | 2,255 | 2,305 | 2,417 | 2,521 |
| Services | 1,831 | 1,837 | 1,719 | 1,802 | 1,655 | 1,692 | 1,802 | 1,864 | 1,912 | 1,992 | 2,039 |
| Government | 2,420 | 2,480 | 2,627 | 2,565 | 2,641 | 2,641 | 2,685 | 2,739 | 2,888 | 2,973 | 3,063 |
| Federal | 2,172 | 2,268 | 2,348 | 2,298 | 2,414 | 2,520 | 2,555 | 2,686 | 2,822 | 2,986 | 3,112 |
| State | 2,683 | 2,698 | 2,887 | 2,829 | 2,895 | 2,859 | 2,882 | 2,962 | 3,163 | 3,202 | 3,298 |
| Local | 2,397 | 2,464 | 2,617 | 2,539 | 2,615 | 2,567 | 2,623 | 2,610 | 2,679 | 2,802 | 2,870 |

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

Alaska's Average Monthly Wage by Census Area 1983-1993

| | 1983 | 1984 | 1985 | 1986 | 1987 | 1988 | 1989 | 1990 | 1991 | 1992 | 1993 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Statewide Average | \$2,379 | \$2,382 | \$2,369 | \$2,345 | \$2,308 | \$2,310 | \$2,479 | \$2,471 | \$2,540 | \$2,618 | \$2,660 |
| Aleutian Islands Census Area* | 1,693 | 1,769 | 1,875 | 1,892 | 2,009 | -- | -- | -- | -- | -- | -- |
| Aleutians East Borough* | -- | -- | -- | -- | -- | 2,008 | 1,959 | 1,930 | 2,042 | 2,042 | 1,968 |
| Aleutians West Census Area* | -- | -- | -- | -- | -- | -- | -- | -- | 2,266 | 2,423 | 2,312 |
| Anchorage, Municipality of | 2,289 | 2,327 | 2,346 | 2,385 | 2,363 | 2,378 | 2,495 | 2,568 | 2,637 | 2,733 | 2,797 |
| Bethel Census Area | 1,735 | 1,792 | 1,756 | 1,830 | 1,743 | 1,727 | 1,873 | 1,877 | 1,958 | 2,047 | 2,064 |
| Bristol Bay Borough | 1,904 | 2,099 | 1,860 | 1,960 | 2,013 | 1,970 | 2,297 | 2,206 | 2,319 | 2,414 | 2,430 |
| Denali Borough** | -- | -- | -- | -- | -- | -- | -- | -- | 2,966 | 2,550 | 2,473 |
| Dillingham Census Area | 2,150 | 1,862 | 1,858 | 1,863 | 1,828 | 1,850 | 1,925 | 2,046 | 2,084 | 2,175 | 2,153 |
| Fairbanks North Star Borough | 2,474 | 2,414 | 2,432 | 2,347 | 2,320 | 2,236 | 2,282 | 2,320 | 2,351 | 2,441 | 2,433 |
| Haines Borough | 1,897 | 2,008 | 2,089 | 2,237 | 2,360 | 2,373 | 2,794 | 1,989 | 1,988 | 2,029 | 1,987 |
| Juneau Borough | 2,283 | 2,267 | 2,295 | 2,320 | 2,341 | 2,339 | 2,355 | 2,382 | 2,518 | 2,622 | 2,657 |
| Kenai Peninsula Borough | 2,309 | 2,344 | 2,343 | 2,255 | 2,169 | 2,245 | 2,558 | 2,438 | 2,444 | 2,457 | 2,458 |
| Ketchikan Gateway Borough | 2,137 | 2,110 | 2,099 | 2,107 | 2,138 | 2,178 | 2,310 | 2,390 | 2,518 | 2,564 | 2,593 |
| Kodiak Island Borough | 2,003 | 1,857 | 1,968 | 1,620 | 1,757 | 1,807 | 2,373 | 1,873 | 1,974 | 2,146 | 2,269 |
| Lake and Peninsula Borough** | -- | -- | -- | -- | -- | -- | -- | 3,900 | 1,693 | 1,707 | 1,637 |
| Matanuska-Susitna Borough | 1,918 | 2,036 | 1,725 | 1,976 | 1,974 | 1,968 | 2,063 | 2,081 | 2,133 | 2,209 | 2,279 |
| Nome Census Area | 1,933 | 1,980 | 1,970 | 1,988 | 2,022 | 2,024 | 2,200 | 2,114 | 2,078 | 2,156 | 2,158 |
| North Slope Borough | 4,849 | 4,911 | 4,681 | 4,341 | 4,079 | 4,053 | 4,225 | 4,414 | 4,613 | 4,680 | 4,818 |
| Northwest Arctic Borough | 1,986 | 2,020 | 1,951 | 1,914 | 1,958 | 2,122 | 2,275 | 2,427 | 2,619 | 2,777 | 2,842 |
| Pr. of Wales-Outer Ketchikan C.A. | 2,124 | 2,091 | 1,937 | 2,039 | 1,954 | 2,089 | 2,293 | 2,297 | 2,220 | 2,360 | 2,435 |
| Sitka Census Area | 2,082 | 2,088 | 2,000 | 2,009 | 2,040 | 2,045 | 2,097 | 2,098 | 2,247 | 2,323 | 2,325 |
| Skagway-Yakutat-Angoon C.A. | 2,055 | 1,703 | 1,759 | 1,786 | 1,746 | 1,807 | 2,138 | 2,224 | 2,321 | 2,335 | 2,329 |
| Southeast Fairbanks Census Area | 1,765 | 1,807 | 1,900 | 2,036 | 1,914 | 1,890 | 1,950 | 1,990 | 2,147 | 2,019 | 2,069 |
| Valdez-Cordova Census Area | 2,411 | 2,501 | 2,507 | 2,483 | 2,475 | 2,417 | 4,109 | 2,673 | 2,799 | 2,947 | 2,942 |
| Wade Hampton Census Area | 1,447 | 1,463 | 1,414 | 1,450 | 1,570 | 1,452 | 1,613 | 1,431 | 1,483 | 1,505 | 1,464 |
| Wrangell-Petersburg Census Area | 2,084 | 1,950 | 2,098 | 2,058 | 2,006 | 2,065 | 2,180 | 2,138 | 2,213 | 2,223 | 2,297 |
| Yakutat Borough** | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | 2,036 |
| Yukon-Koyukuk Census Area | 2,465 | 2,393 | 2,063 | 2,090 | 2,046 | 2,082 | 2,144 | 2,069 | 1,922 | 1,944 | 1,896 |

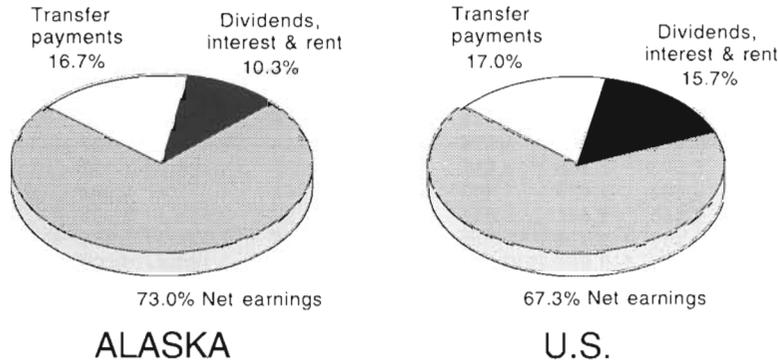
* Aleutian Island Census Area split into Aleutians East Borough and Aleutians Islands West Census Area in 1988.

** Newly formed boroughs.

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

Figure • 3

Sources of Personal Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Wages are more important in Alaska

Another strength of BEA personal income figures is the inclusion of nearly all sources of income. The three major categories are: 1) net earnings 2) dividends, interest and rent and 3) transfer payments. (See Figure 3.) One important exclusion in Alaska is subsistence.

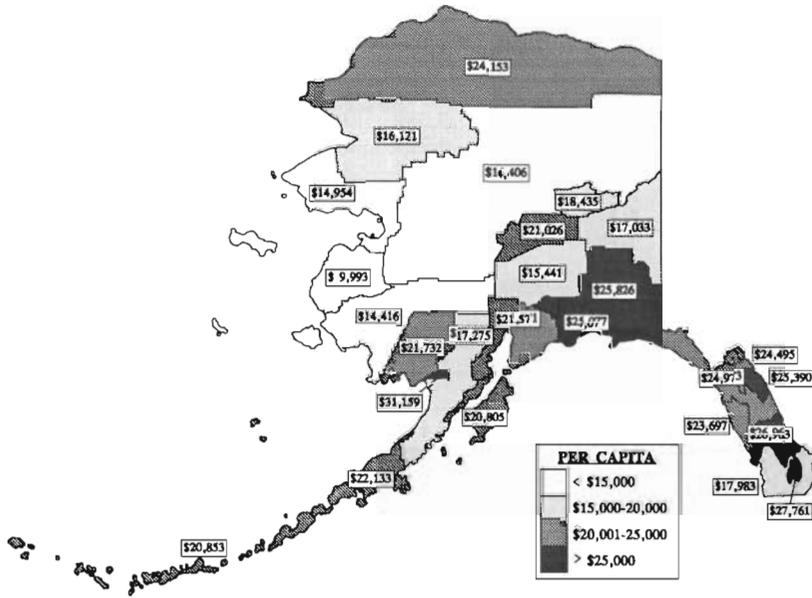
Wages earned are responsible for 64.9% of all personal income earned in the state compared to 57.3% in the nation. The primary reason why Alaskans earn more of their income from wages is because a much larger proportion of Alaska's working age population is active in the labor force.

PFD checks give Alaska an income advantage

Transfer payments are the next largest source of income for Alaska residents. Transfer payments include disbursements such as unemployment payments, welfare, Social Security and Medicare/Medicaid. Nationwide, Social Security is the single largest component of the transfers, but in Alaska it is considerably smaller. This is because Alaska's senior population (65+) is proportionately only a third the size of the rest of the nation's. The only reason that Alaska's transfer slice of the personal income pie is nearly identical with the nation's is because this is where BEA counts two sources of income unique to Alaska—permanent fund checks and the longevity bonus. In fact, without the permanent fund distributions, Alaska's per capita income advantage would be only approximately 106% of the nation's, instead of 111%.

Figure • 4

Per Capita Income by Region 1992



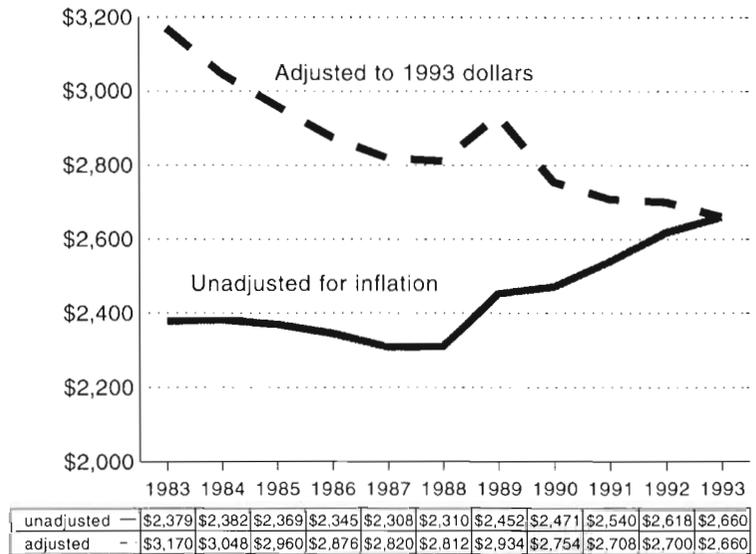
Source: U.S. Department of Commerce, Bureau of Economic Analysis. Alaska Department of Labor, Research & Analysis Section.

Incomes are usually lower in rural Alaska

In addition to statewide personal income data, the BEA also produces personal income figures for the state's boroughs, municipalities and census areas. (See Table 3.) The local area data lags a year behind the statewide figures—the most recent data being for 1992.

The state's lowest incomes are predominantly found in rural Alaska. (See Figure 4.) Low

Average Monthly Wages Are Falling in Alaska After Adjusting for Inflation



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

participation rates in the work force are the best predictor of these lower incomes. And low participation exists in most of rural Alaska because there are fewer opportunities to earn wages and salaries. (See July 1992 issue of *Alaska Economic Trends*.) Rural Alaska also has more children per household which further depresses per capita income. Other indicators such as a much higher incidence of poverty and high unemployment rates often accompany this rural/urban split. There are a number of exceptions to the rural/urban differences. The Bristol Bay and the North Slope Boroughs' per capita incomes are among the state's top rankings—both of these areas are endowed with incredibly rich natural resources. However, there are areas such as the Fairbanks North Star and the Matanuska-Susitna Boroughs where per capita incomes fall substantially below the statewide average. Although the state's per capita income is higher than the nation's, 10 out of the 26 areas measured in Alaska registered below the nation's. For example, the Wade Hampton census area's per capita income was less than half of the nation's.

Alaska's wages budge little

Alaska's average monthly wage inched ahead by 1.6% in 1993—the smallest increase in three years. (See Table 4.) After adjusting this figure for inflation, some ground was actually lost. This is not a new trend. (See Figure 5.)

As with personal income, the average monthly wage data should be treated cautiously because a number of factors can influence the direction it takes. The average monthly wage figures are calculated by dividing Alaska's total gross payroll by the total number of wage and salary jobs. A part-time and full-time job carries the same weight in the job count. A shift in the industrial and/or occupational mix of these industries can also affect the direction the average monthly wage takes. The average monthly wage can be swayed by a change in the number of hours worked.

Oil still reigns king and retail is at the bottom

The oil industry remains on the top of the average monthly wage scale—weighing in at more than twice the statewide average. Retail's average monthly wage was on the opposite end of the spectrum, registering at a little over half the statewide average. High salaries and a considerable amount of overtime pay push oil industry wages into their top position. Low pay and the preponderance of part-time employment explain retail's very low average monthly wage. The rest of the industries fall somewhere in between these two industries.

Wages not keeping up with inflation

Over the past decade nearly all of the industries have suffered an erosion of buying power. The state's overall average monthly wage in 1983 in 1993 dollars was \$3,170 compared to \$2,660 in 1993. Over the past decade only

the federal government's average monthly wage has stood up to the increases in the cost of living. The industry which has suffered the greatest loss in earning power is construction. In 1993 dollars, construction's average monthly wage in 1983 was \$5,144 compared to \$3,664 in 1993.

Wages make up the bulk of personal income. The average monthly wage varies by geographic region. (See Table 5.) There are, however, a few important distinctions. The most important is that the average monthly wage figures are not adjusted for residency. This explains why the North Slope Borough has the highest average monthly wage of \$4,818, yet ranks ninth in per capita income. Most of the high oil industry wages earned in the borough belong to wage earners who live elsewhere in the state. The average monthly wage is not always a good predictor of a population's economic well-being since it is only a measurement of the share of the population which is employed.

No significant short-term trends are evident in the geographic wage data. One interesting trend has taken place in the Northwest Arctic Borough. In 1991 the borough's average monthly wage began to register above the statewide average and has stayed there. The best explanation for this improvement is the

extra wages the Red Dog mine has pumped into the region.

Summary—Alaska's sluggish income picture continues

Alaska's personal income picture continues to follow a more moderate growth mode. Increasingly, the state's income trends mirror the nation's. These slower gains have meant Alaska per capita ranking remains stuck in eighth place and has a much smaller income advantage than it did historically. Some of this loss in income advantage has been eased by a narrowing of cost-of-living when compared to the rest of the nation.

Per capita income disparities between most of rural and urban Alaska remain quite dramatic. However, a number of exceptions exist. More than a third of the boroughs and census areas registered per capita incomes below the nation's. Low labor force participation rates explain most of this contrast.

The state's average monthly wage figures inched ahead in 1993, but not enough to prevent the loss of buying power to inflation. The oil industry continues to pay the top average monthly wage and the retail sector remains on the bottom.

T a b l e • 6

Federal Poverty Guidelines for Alaska, 1994

| Size of family | Income limit |
|--|--------------|
| 1 | \$9,200 |
| 2 | 12,300 |
| 3 | 15,400 |
| 4 | 18,500 |
| 5 | 21,600 |
| 6 | 24,700 |
| 7 | 27,800 |
| 8 | 30,900 |
| For each additional family member add: | \$3,100 |

Source: Federal Register, 1994.

Poverty Guidelines for Alaska

The poverty income guidelines shown in Table 6 are used to determine eligibility of individuals and families for a number of federal and state programs. The poverty guidelines are adjusted for Alaska by adding a 25% cost of living adjustment to the national guidelines. Each year these figures are updated to reflect the change in the U.S. consumer price index.

Low August Jobless Rate Belies Winter Worries

by John Boucher

Alaska's unemployment rate dropped sharply in August, falling eight-tenths of a percentage point to 5.9%. It was the first time this year that Alaska's unemployment rate equaled the national unemployment rate. (See Table 4.) Despite recent economic setbacks, Alaska's August unemployment rate was among the lowest recorded for that month since 1978. The lowest recorded August rate was 5.0% in 1989, at the height of the effort to clean up the *Exxon Valdez* oil spill. Lower rates were also recorded in 1990 and 1993 when unemployment was 5.7%.

In conjunction with the improved unemployment picture, the state's wage and salary employment count reached an all-time high. The number of nonagricultural wage and salary jobs in Alaska reached 275,000 in both July and August. (See Table 1.) Job growth in construction, retail trade, tourism and the services sector continued to lead the current expansion.

While Alaska's current employment and unemployment picture is relatively robust, the winter months will bring rising unemployment when seasonal jobs vanish. In addition to the normal seasonal downturn, Alaska's economy will have to cope with the negative impacts of the ARCO layoffs, the ending of the massive GHX-2 construction project on the North Slope, the temporary closure of the Wrangell sawmill, and the recently announced layoff of up to 250 Alyeska Pipeline Service Company workers.

The Alyeska layoffs, expected to occur before January, could push 1994 oil industry-related layoffs over 1,000. In addition to 750 workers laid off at ARCO, Alyeska had earlier announced a layoff of 60 technicians at the Valdez oil terminal. The layoff will impact Alyeska's support personnel in Anchorage.

Wrangell sawmill closure to idle 225

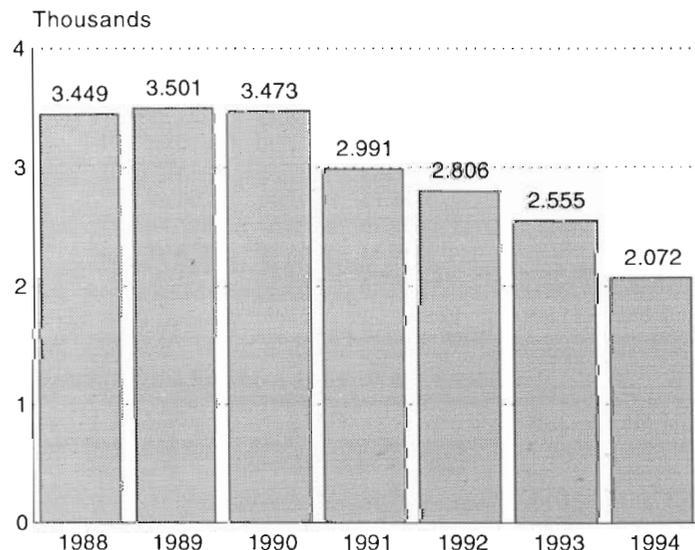
Alaska Pulp Corporation recently announced a temporary closure of the Wrangell sawmill for five months beginning in November. If all employees of the mill are laid off, that amounts to about 225 workers. The closure extends a trend of Southeast Alaska wood products industry job loss dating back to 1989. (See Figure 1.) The sawmill closure strikes another blow to the Southeast Alaska economy, but it will be a particularly severe shock to Wrangell.

The closing's impact on Wrangell will be severe because of the sawmill's relative prominence in the local economy. During the October 1993-March 1994 period, the sawmill accounted for 23.4% of the wage and salary jobs in Wrangell. Moreover, it accounted for nearly one-third of all wages and salaries paid in Wrangell. (See Figure 2.) This ex-

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Figure • 1

Southeast's Wood Products Industry Slides Wood Products Industry Employment 1988-94 ^{1/}



^{1/} Includes SIC 24 (Lumber and Wood Products except Furniture) and SIC 261 (Pulp Mills). Annual averages except 1994, which is an 8-month average. Source: Alaska Department of Labor, Research & Analysis Section.

Table • 1

Nonagricultural Wage and Salary Employment by Place of Work

Alaska

| | p/ | | Changes from | | |
|----------------------------|---------|---------|--------------|--------|-------|
| | 8/94 | r/7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 275,000 | 275,200 | 270,100 | -200 | 4,900 |
| Goods-producing | 49,000 | 51,300 | 49,100 | -2,300 | -100 |
| Mining | 10,300 | 10,300 | 10,800 | 0 | -500 |
| Construction | 16,000 | 15,500 | 15,000 | 500 | 1,000 |
| Manufacturing | 22,700 | 25,500 | 23,300 | -2,800 | -600 |
| Durable Goods | 3,500 | 3,500 | 3,800 | 0 | -300 |
| Lumber & Wood Products | 2,600 | 2,500 | 2,900 | 100 | -300 |
| Nondurable Goods | 19,200 | 22,000 | 19,500 | -2,800 | -300 |
| Seafood Processing | 15,900 | 18,600 | 15,900 | -2,700 | 0 |
| Pulp Mills | 500 | 500 | 900 | 0 | -400 |
| Service-producing | 226,000 | 223,900 | 221,000 | 2,100 | 5,000 |
| Transportation | 25,100 | 25,100 | 24,800 | 0 | 300 |
| Trucking & Warehousing | 3,100 | 3,300 | 3,100 | -200 | 0 |
| Water Transportation | 2,200 | 2,200 | 2,200 | 0 | 0 |
| Air Transportation | 8,400 | 8,300 | 8,100 | 100 | 300 |
| Communications | 3,900 | 3,900 | 3,800 | 0 | 100 |
| Trade | 54,900 | 54,500 | 52,300 | 400 | 2,600 |
| Wholesale Trade | 8,800 | 8,700 | 8,700 | 100 | 100 |
| Retail Trade | 46,100 | 45,800 | 43,600 | 300 | 2,500 |
| Gen. Merch. & Apparel | 9,300 | 9,200 | 7,300 | 100 | 2,000 |
| Food Stores | 7,500 | 7,500 | 7,500 | 0 | 0 |
| Eating & Drinking Places | 15,500 | 15,400 | 15,200 | 100 | 300 |
| Finance-Ins. & Real Estate | 11,900 | 11,700 | 11,600 | 200 | 300 |
| Services & Misc. | 62,200 | 62,300 | 60,600 | -100 | 1,600 |
| Hotels & Lodging Places | 7,500 | 7,700 | 7,400 | -200 | 100 |
| Health Services | 12,500 | 12,500 | 12,300 | 0 | 200 |
| Government | 71,900 | 70,300 | 71,700 | 1,600 | 200 |
| Federal | 20,400 | 20,600 | 20,700 | -200 | -300 |
| State | 20,800 | 20,000 | 20,700 | 800 | 100 |
| Local | 30,700 | 29,700 | 30,300 | 1,000 | 400 |

Municipality of Anchorage

| | p/ | | Changes from | | |
|----------------------------|---------|---------|--------------|------|-------|
| | 8/94 | r/7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 124,000 | 123,800 | 121,200 | 200 | 2,800 |
| Goods-producing | 13,800 | 13,600 | 13,600 | 200 | 200 |
| Mining | 3,100 | 3,100 | 3,300 | 0 | -200 |
| Construction | 8,300 | 8,200 | 8,000 | 100 | 300 |
| Manufacturing | 2,400 | 2,300 | 2,300 | 100 | 100 |
| Service-producing | 110,200 | 110,200 | 107,600 | 0 | 2,600 |
| Transportation | 13,300 | 13,300 | 13,200 | 0 | 100 |
| Air Transportation | 5,100 | 5,000 | 4,900 | 100 | 200 |
| Communications | 2,500 | 2,500 | 2,400 | 0 | 100 |
| Trade | 28,600 | 28,500 | 26,700 | 100 | 1,900 |
| Wholesale Trade | 6,200 | 6,200 | 6,000 | 0 | 200 |
| Retail Trade | 22,400 | 22,300 | 20,700 | 100 | 1,700 |
| Gen. Merch. & Apparel | 4,700 | 4,700 | 3,300 | 0 | 1,400 |
| Food Stores | 3,500 | 3,400 | 3,500 | 100 | 0 |
| Eating & Drinking Places | 7,500 | 7,400 | 7,300 | 100 | 200 |
| Finance-Ins. & Real Estate | 7,200 | 7,100 | 6,900 | 100 | 300 |
| Services & Misc. | 32,600 | 32,900 | 32,100 | -300 | 500 |
| Hotels & Lodging Places | 2,700 | 2,700 | 2,600 | 0 | 100 |
| Health Services | 6,200 | 6,300 | 6,300 | -100 | -100 |
| Government | 28,500 | 28,400 | 28,700 | 100 | -200 |
| Federal | 11,800 | 11,900 | 11,900 | -100 | -100 |
| State | 7,700 | 7,400 | 7,800 | 300 | -100 |
| Local | 9,000 | 9,100 | 9,000 | -100 | 0 |

Table • 2

Alaska Hours and Earnings for Selected Industries

| | Average Weekly Earnings | | | Average Weekly Hours | | | Average Hourly Earnings | | |
|---------------------------|-------------------------|------------|------------|----------------------|------|------|-------------------------|---------|---------|
| | p/ | r/ | | p/ | r/ | | p/ | r/ | |
| | 8/94 | 7/94 | 8/93 | 8/94 | 7/94 | 8/93 | 8/94 | 7/94 | 8/93 |
| Mining | \$1,205.28 | \$1,209.70 | \$1,272.54 | 49.6 | 52.3 | 53.2 | \$24.30 | \$23.13 | \$23.92 |
| Construction | 1,189.47 | 1,192.78 | 1,198.41 | 46.5 | 46.0 | 47.2 | 25.58 | 25.93 | 25.39 |
| Manufacturing | 554.34 | 610.94 | 551.94 | 53.2 | 59.2 | 51.2 | 10.42 | 10.32 | 10.78 |
| Seafood Processing | 495.90 | 577.02 | 476.33 | 57.0 | 63.9 | 54.5 | 8.70 | 9.03 | 8.74 |
| Trans., Comm. & Utilities | 690.14 | 687.46 | 675.27 | 36.4 | 37.0 | 36.9 | 18.96 | 18.58 | 18.30 |
| Trade | 390.53 | 397.13 | 386.56 | 34.9 | 35.3 | 34.3 | 11.19 | 11.25 | 11.27 |
| Wholesale | 606.72 | 622.52 | 621.68 | 38.4 | 39.4 | 39.8 | 15.80 | 15.80 | 15.62 |
| Retail | 348.84 | 354.32 | 339.97 | 34.2 | 34.5 | 33.2 | 10.20 | 10.27 | 10.24 |
| Finance-Ins. & R.E. | 442.32 | 435.96 | 458.47 | 35.7 | 35.3 | 36.1 | 12.39 | 12.35 | 12.70 |

Notes to Tables 1-3:

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

Table 3- Prepared in part with funding from the Alaska State Employment Security Division.

p/ denotes preliminary estimates.

r/ denotes revised estimates.

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

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

Benchmark: March 1993

Nonagricultural Wage and Salary Employment by Place of Work

| Southeast Region | p/ | | Changes from | | |
|----------------------------|--------|------------|--------------|------|------|
| | 8/94 | r/ 7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 39,250 | 38,350 | 39,050 | 900 | 200 |
| Goods-producing | 8,550 | 8,150 | 8,800 | 400 | -250 |
| Mining | 200 | 200 | 150 | 0 | 50 |
| Construction | 1,900 | 1,750 | 2,000 | 150 | -100 |
| Manufacturing | 6,450 | 6,200 | 6,650 | 250 | -200 |
| Durable Goods | 2,000 | 2,050 | 2,250 | -50 | -250 |
| Lumber & Woods Products | 1,900 | 1,950 | 2,200 | -50 | -300 |
| Nondurable Goods | 4,450 | 4,150 | 4,400 | 300 | 50 |
| Seafood Processing | 3,700 | 3,350 | 3,300 | 350 | 400 |
| Pulp Mills | 550 | 550 | 850 | 0 | -300 |
| Service-producing | 30,700 | 30,200 | 30,250 | 500 | 450 |
| Transportation | 3,350 | 3,350 | 3,300 | 0 | 50 |
| Trade | 7,200 | 7,150 | 6,800 | 50 | 400 |
| Wholesale Trade | 600 | 600 | 600 | 0 | 0 |
| Retail Trade | 6,600 | 6,550 | 6,200 | 50 | 400 |
| Finance-Ins. & Real Estate | 1,400 | 1,400 | 1,400 | 0 | 0 |
| Services & Misc. | 6,750 | 6,750 | 6,600 | 0 | 150 |
| Government | 12,000 | 11,550 | 12,150 | 450 | -150 |
| Federal | 2,150 | 2,100 | 2,200 | 50 | -50 |
| State | 5,350 | 5,250 | 5,350 | 100 | 0 |
| Local | 4,500 | 4,200 | 4,600 | 300 | -100 |

| Interior Region | p/ | | Changes from: | | |
|----------------------------|--------|------------|---------------|------|------|
| | 8/94 | r/ 7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 37,900 | 37,250 | 37,100 | 650 | 800 |
| Goods-producing | 3,950 | 3,650 | 3,700 | 300 | 250 |
| Mining | 1,100 | 1,100 | 900 | 0 | 200 |
| Construction | 2,150 | 1,900 | 2,150 | 250 | 0 |
| Manufacturing | 700 | 650 | 650 | 50 | 50 |
| Service-producing | 33,950 | 33,600 | 33,400 | 350 | 550 |
| Transportation | 3,250 | 3,350 | 3,200 | -100 | 50 |
| Trade | 8,150 | 8,100 | 8,050 | 50 | 100 |
| Finance-Ins. & Real Estate | 1,250 | 1,250 | 1,250 | 0 | 0 |
| Services & Misc. | 8,650 | 8,700 | 8,500 | -50 | 150 |
| Government | 12,650 | 12,200 | 12,400 | 450 | 250 |
| Federal | 4,400 | 4,400 | 4,300 | 0 | 100 |
| State | 4,400 | 4,100 | 4,200 | 300 | 200 |
| Local | 3,850 | 3,700 | 3,900 | 150 | -50 |

Fairbanks North Star Borough

| Fairbanks North Star Borough | p/ | | Changes from: | | |
|------------------------------|--------|------------|---------------|------|------|
| | 8/94 | r/ 7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 32,400 | 31,850 | 31,700 | 550 | 700 |
| Goods-producing | 3,650 | 3,400 | 3,450 | 250 | 200 |
| Mining | 950 | 950 | 750 | 0 | 200 |
| Construction | 2,050 | 1,800 | 2,050 | 250 | 0 |
| Manufacturing | 650 | 650 | 650 | 0 | 0 |
| Service-producing | 28,750 | 28,450 | 28,250 | 300 | 500 |
| Transportation | 2,400 | 2,500 | 2,350 | -100 | 50 |
| Trucking & Warehousing | 550 | 600 | 450 | -50 | 100 |
| Air Transportation | 650 | 650 | 650 | 0 | 0 |
| Communications | 300 | 250 | 300 | 50 | 0 |
| Trade | 7,450 | 7,400 | 7,350 | 50 | 100 |
| Wholesale Trade | 850 | 850 | 850 | 0 | 0 |
| Retail Trade | 6,600 | 6,550 | 6,500 | 50 | 100 |
| Gen. Merch. & Apparel | 1,200 | 1,200 | 1,050 | 0 | 150 |
| Food Stores | 800 | 800 | 750 | 0 | 50 |
| Eating & Drinking Places | 2,700 | 2,700 | 2,800 | 0 | -100 |
| Finance-Ins. & Real Estate | 1,200 | 1,200 | 1,150 | 0 | 50 |
| Services & Misc. | 7,500 | 7,550 | 7,400 | -50 | 100 |
| Government | 10,200 | 9,800 | 10,000 | 400 | 200 |
| Federal | 3,500 | 3,500 | 3,500 | 0 | 0 |
| State | 4,050 | 3,750 | 3,800 | 300 | 250 |
| Local | 2,650 | 2,550 | 2,700 | 100 | -50 |

Anchorage/Mat-Su Region

| Anchorage/Mat-Su Region | p/ | | Changes from: | | |
|----------------------------|---------|------------|---------------|------|-------|
| | 8/94 | r/ 7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 133,750 | 133,350 | 130,500 | 400 | 3,250 |
| Goods-producing | 14,800 | 14,650 | 14,500 | 150 | 300 |
| Mining | 3,300 | 3,300 | 3,500 | 0 | -200 |
| Construction | 9,000 | 8,900 | 8,550 | 100 | 450 |
| Manufacturing | 2,500 | 2,450 | 2,450 | 50 | 50 |
| Service-producing | 118,950 | 118,700 | 116,000 | 250 | 2,950 |
| Transportation | 14,000 | 14,050 | 13,950 | -50 | 50 |
| Trade | 31,000 | 31,050 | 29,050 | -50 | 1,950 |
| Finance-Ins. & Real Estate | 7,600 | 7,500 | 7,350 | 100 | 250 |
| Services & Misc. | 34,900 | 35,050 | 34,100 | -150 | 800 |
| Government | 31,450 | 31,050 | 31,550 | 400 | -100 |
| Federal | 11,900 | 12,050 | 12,050 | -150 | -150 |
| State | 8,550 | 8,200 | 8,550 | 350 | 0 |
| Local | 11,000 | 10,800 | 10,950 | 200 | 50 |

Gulf Coast Region

| Gulf Coast Region | p/ | | Changes from: | | |
|----------------------------|--------|------------|---------------|--------|------|
| | 8/94 | r/ 7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 31,000 | 32,050 | 30,850 | -1,050 | 150 |
| Goods-producing | 10,300 | 11,450 | 10,400 | -1,150 | -100 |
| Mining | 1,200 | 1,200 | 1,300 | 0 | -100 |
| Construction | 1,700 | 1,750 | 1,400 | -50 | 300 |
| Manufacturing | 7,400 | 8,500 | 7,700 | -1,100 | -300 |
| Seafood Processing | 6,150 | 7,300 | 6,300 | -1,150 | -150 |
| Service-producing | 20,700 | 20,600 | 20,450 | 100 | 250 |
| Transportation | 2,350 | 2,400 | 2,350 | -50 | 0 |
| Trade | 5,550 | 5,600 | 5,550 | -50 | 0 |
| Wholesale Trade | 700 | 750 | 750 | -50 | -50 |
| Retail Trade | 4,850 | 4,850 | 4,800 | 0 | 50 |
| Finance-Ins. & Real Estate | 650 | 650 | 650 | 0 | 0 |
| Services & Misc. | 6,300 | 6,250 | 6,050 | 50 | 250 |
| Government | 5,850 | 5,700 | 5,850 | 150 | 0 |
| Federal | 750 | 750 | 700 | 0 | 50 |
| State | 1,700 | 1,650 | 1,750 | 50 | -50 |
| Local | 3,400 | 3,300 | 3,400 | 100 | 0 |

Southwest Region

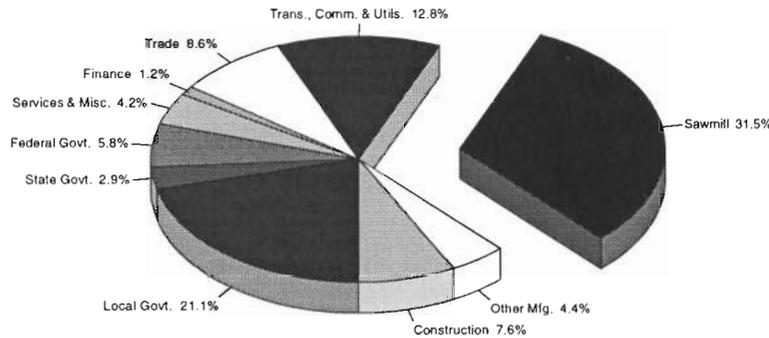
| Southwest Region | p/ | | Changes from: | | |
|----------------------------|--------|------------|---------------|--------|------|
| | 8/94 | r/ 7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 17,900 | 19,750 | 18,050 | -1,850 | -150 |
| Goods-producing | 6,100 | 8,050 | 6,350 | -1,950 | -250 |
| Seafood Processing | 5,550 | 7,500 | 5,750 | -1,950 | -200 |
| Service-producing | 11,800 | 11,700 | 11,700 | 100 | 100 |
| Government | 5,600 | 5,500 | 5,550 | 100 | 50 |
| Federal | 1,100 | 1,150 | 1,150 | -50 | -50 |
| State | 500 | 500 | 550 | 0 | -50 |
| Local | 4,000 | 3,850 | 3,850 | 150 | 150 |

Northern Region

| Northern Region | p/ | | Changes from: | | |
|----------------------------|--------|------------|---------------|------|------|
| | 8/94 | r/ 7/94 | 8/93 | 7/94 | 8/93 |
| Total Nonag. Wage & Salary | 15,150 | 15,050 | 14,850 | 100 | 300 |
| Goods-producing | 5,350 | 5,350 | 5,350 | 0 | 0 |
| Mining | 4,500 | 4,500 | 4,900 | 0 | -400 |
| Service-producing | 9,800 | 9,700 | 9,500 | 100 | 300 |
| Government | 4,450 | 4,400 | 4,250 | 50 | 200 |
| Federal | 250 | 250 | 250 | 0 | 0 |
| State | 350 | 350 | 350 | 0 | 0 |
| Local | 3,850 | 3,800 | 3,650 | 50 | 200 |

Figure • 2

**Sawmill Nearly One-third of Wrangell's Payroll
Percent of Nonagricultural Wages & Salaries, 10/93-3/94**



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

cludes any secondary jobs or payroll that the sawmill supports, such as retail and service jobs that depend upon wages spent by sawmill employees or businesses providing support to the sawmill. In comparison, when the Sitka pulp mill closed the Sitka economy lost about 10 percent of the area jobs and 17 percent of the local payroll. Since the closure is temporary, some of the overall economic effect on Wrangell will be mitigated. However, the winter closure comes at a time when jobs, particularly jobs that pay as well as the sawmill jobs, will be nearly impossible to find in Wrangell.

Southeast seafood processors see silver(s)

While the Wrangell sawmill closure announcement brought anxiety for Southeast Alaska's job outlook, all of the region's economic news was not bad in August. Southeast Alaska's seafood processors reached 10-year high employment levels in August, as the region benefitted from the best silver (coho) salmon harvest ever. As of the middle of September, Southeast trollers had harvested in excess of four million coho salmon, more than 10 percent above the previous record harvest set in 1992. Strong coho re-

Table • 4

**Unemployment Rates
by Region & Census Area**

| | Percent Unemployed | |
|----------------------------------|--------------------|------------|
| | p/ 8/94 | r/ 7/94 |
| Not Seasonally Adjusted | | |
| United States | 5.9 | 6.2 |
| Alaska Statewide | 5.9 | 6.7 |
| Anch./Mat-Su Region | 5.5 | 6.2 |
| Municipality of Anchorage | 4.8 | 5.5 |
| Mat-Su Borough | 9.5 | 10.4 |
| Gulf Coast Region | 7.2 | 7.7 |
| Kenai Peninsula Borough | 8.0 | 9.2 |
| Kodiak Island Borough | 5.5 | 4.1 |
| Valdez-Cordova | 6.1 | 6.6 |
| Interior Region | 6.4 | 7.5 |
| Denali Borough | 3.2 | 3.8 |
| Fairbanks North Star Borough | 6.1 | 7.1 |
| Southeast Fairbanks | 7.9 | 9.5 |
| Yukon-Koyukuk | 12.6 | 14.4 |
| Northern Region | 9.4 | 10.3 |
| Nome | 11.2 | 12.1 |
| North Slope Borough | 4.1 | 4.5 |
| Northwest Arctic Borough | 14.1 | 15.7 |
| Southeast Region | 5.2 | 6.2 |
| Haines Borough | 6.0 | 5.9 |
| Juneau Borough | 4.6 | 5.2 |
| Ketchikan Gateway Borough | 4.9 | 6.3 |
| Pr. of Wales-Outer Ketch | 7.4 | 8.4 |
| Sitka Borough | 6.8 | 9.4 |
| Skagway-Yakutat-Angoon | 5.2 | 5.6 |
| Wrangell-Petersburg | 4.1 | 4.5 |
| Southwest Region | 5.8 | 5.2 |
| Aleutians East Borough | 1.7 | 1.5 |
| Aleutians West | 1.5 | 1.6 |
| Bethel | 8.1 | 7.6 |
| Bristol Bay Borough | 1.9 | 1.0 |
| Dillingham | 5.7 | 5.9 |
| Lake & Peninsula Borough | 6.6 | 5.0 |
| Wade Hampton | 13.8 | 11.7 |
| Seasonally Adjusted Rates | | |
| Alaska Statewide | 7.7 | 8.1 |
| United States | 6.1 | 6.1 |

p/ denotes preliminary estimates r/ denotes revised estimates
Benchmark: March 1993

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

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

turns in Southeast prompted the Alaska Department of Fish and Game to extend the coho season 10 extra days, the first time in recent years that trollers have been allowed to fish this late in the year. The 10-day extension should give Southeast trollers a little extra income and will also help keep processors busy later into the year than normal.

Alaska Employment Service

Anchorage: Phone 269-4800

Kotzebue: Phone 442-3280

Kodiak: Phone 486-3105

Bethel: Phone 543-2210

Nome: Phone 443-2626/2460

Seward: Phone 224-5276

Dillingham: Phone 842-5579

Tok: Phone 883-5629

Juneau: Phone 790-4562

Eagle River: Phone 694-6904/07

Valdez: Phone 835-4910

Petersburg: Phone 772-3791

Mat-Su: Phone 376-2407/08

Kenai: Phone 283-4304/4377/4319

Sitka: Phone 747-3347/3423/6921

Fairbanks: Phone 451-2871

Homer: Phone 235-7791

Ketchikan: Phone 225-3181/82/83

Glennallen: Phone 822-3350



Alaska Economic Regions

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