ALASKA ECONOMIC OCTOBER 1999

TRENDS

THE KENAI

Fishing, tourism, oil and gas, refining and government form the foundation of an economy of great diversity. If one sector falters, the Kenai Peninsula has the depth and breadth to ride it out.

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Workplace Fatalities Decline

Alaska Mass Layoffs

Employment Scene: Growth is Slower at Midsummer Peak

Department of Labor and Workforce Development Tony Knowles, Governor of Alaska

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An Economic Profile:

The Kenai Peninsula

by Neal Fried and
Brigitta Windisch-Cole
Labor Economists

Great diversity underpins the Kenai Peninsula Borough economy

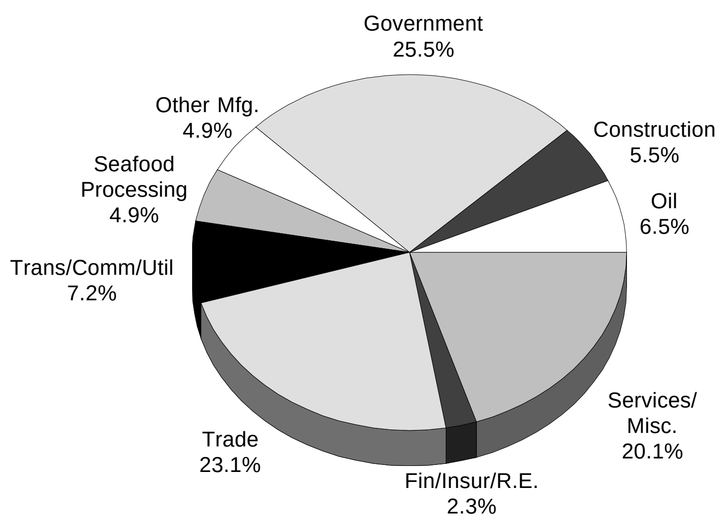
The Kenai Peninsula Borough's economy is one of amazing diversity. Unlike many places in Alaska, where one or two industries dominate the economy, the Peninsula's economy requires considerably more effort to describe. In a nutshell, the economic strength of the borough is its diversity. (See Exhibit 1.)

The foundation of the borough's economy includes fishing, tourism, oil and gas, refining and government. Many of these industries need to be further dissected to provide a more complete picture of Kenai's economic workings. For example, the Peninsula's fishery resource supports a large commercial fishing industry and the state's largest sports fishery. The local oil industry has spin-off activities such as refining and chemical manufacturing as well as provision of important services to the oil fields on the North Slope. Consequently, a significant number of the Peninsula's residents earn their living on the North Slope but spend their paychecks locally. The Peninsula is home to what many economic development advocates believe to be the prime ingredients of a healthy economy–big doses of value-added activity, a major export sector and an attractive quality of life. In addition to a diversified basic sector, the Peninsula's economy has gained a tremendous amount of breadth with the expansion of its support sector.

The 1990s–the moderate era

Unlike the go-go years of the 1970s and 1980s when the Kenai Peninsula's economy boomed and busted a few times, the 1990s can be characterized as a decade of incremental or moderate growth. In the 1970s, employment grew seven percent per year and in the 1980s, five percent per year (despite the recession of 1986-1988). During the 1990s, the pace of growth slowed to two percent. (See Exhibit 2.) There is a host of reasons for this more temperate pace of economic growth but a few stand out. With the exception of the visitor industry and parts of the public sector, many of the Peninsula's traditional basic industries have not provided much impetus for growth. These industries do remain important players in the economy; they simply were not the growers in the 1990s.

Where the Jobs Were 1
Kenai Peninsula 1998



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

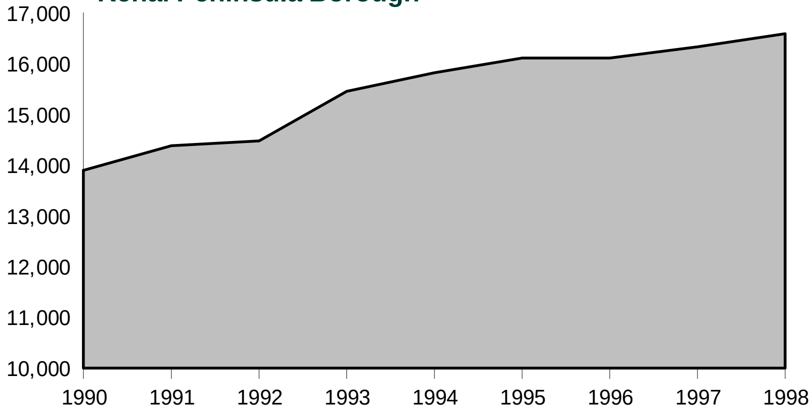
Retail booms and services is close behind

Retail is one standout in the 1990s. From 1990 to 1998, retail employment grew 1,200 jobs or 56 percent. (See Exhibit 3.) That's approximately 38 percent of the wage and salary job growth during that period. Big new players like Kmart, Fred Meyer and others received much of the limelight, yet most of this expansion came from smaller players. The number of retailers on the Peninsula increased from 297 in 1990 to 381 in 1998. Restaurants, which are included in retail, were responsible for half of this growth. The dramatic expansion of tourism on the Kenai Peninsula goes a long way to explaining this growth. No other economic factor explains the Peninsula's unusually large retail workforce. It represents 23 percent of the area's wage and salary employment versus 17 percent statewide– giving the Peninsula one of the highest concentrations of retail in the state. Population growth is certainly another positive ingredient. The other explanation is that retail is now capturing more and more of the Peninsula's consumer dollars that in the past either made their way to Anchorage or outside the state.

Services' overall story is not much different from retail's. The services industry, which represents the second largest private sector employer on the Peninsula, was 573 jobs larger in 1998 than in 1990. Like retail, the services industry is a major beneficiary of the visitor sector. For example, employment in hotels and lodging, a major player in services, grew by 39 percent from 1990 to 1998. Recreational services and other sectors also grew. But like retail, population growth and increased local consumption were also important factors. There are now more business, health care, personal and other types of services available locally. Since the Peninsula now provides for more of its own needs, the economic multiplier effect of these expenditures grows, which in turn leads to additional expansion of these industries.

2 Employment Grew at a 2.2% annual average in the 1990s

Kenai Peninsula Borough



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

A visitors' mecca

The growth and variety of the visitor sector on the Peninsula has been nothing short of phenomenal during the 1990s. For example, lodging services sales more than doubled between 1990 and 1998 and recreational sales grew from $9.2 million to $27.2 million during the same period. There are few places in Alaska where the visitor industry plays a more dominant role. Even fewer places enjoy such a diversity of visitors. Most visitor destinations in Alaska are heavily dependent on one category of visitor, but the Peninsula caters to two distinctive groups. These are the interstate Lower 48 visitors and Alaska visitors, who come mostly from the Anchorage/ Mat-Su region, home to over half of the state's population. There are no recent figures that weigh these two groups by importance, but past studies indicate neither group is dominant. Such mixed dependence puts the visitor industry on firmer ground because of the geographic diversity of its clientele.

Another visitor industry strength on the Peninsula is the wide range of activities open to visitors. These include sightseeing, hiking and camping, visiting recreational properties, nature watching, kayaking and other boating activities, and, of course, fishing.

The single biggest attraction on the Peninsula is sports fishing. This year, nearly 1,200 fish charter boats are operating on the Peninsula, the largest charter boat fleet in the state. Most people who fish the Peninsula do not even utilize the fleet's services. The Kenai/Russian River system is the single most heavily utilized sports fishery in the state. According to the University of Alaska Anchorage, Southcentral residents made approximately 157,000 sports fishing trips to the Kenai/Russian rivers in 1993 and nonresidents made 54,000. Together, anglers spent $34 million in the pursuit of their sport. This fishery represents only one of many major sport fisheries in the borough. Fishing is only part of the picture. For example, the visitor count for the Kenai Fjords National Park was over 182,000 in 1998, and more than 125,500 cruise ship passengers disembarked in Seward that year. Untold thousands of other visitors to the Peninsula indulged themselves in a variety of activities.

A combination of new attractions such as the Seward Sealife Center, healthy fish resources, more lodging options, growth in cruise ship dockings and wildlife-viewing cruises continue to attract a growing number of visitors. And new attractions like the Challenger Center are in store for the future. As long as the national and Southcentral economies remain healthy, employment in the visitor industry will likely continue to climb.

Fishing remains a core industry

Fishing represents the oldest cash economy on the Kenai Peninsula; chronicles tell of commercial activities as early as 1882. Many Kenai Peninsula residents still earn their primary income from fishing. During the 1997 season, the most recent analyzed, Kenai Peninsula fishers earned nearly $69 million, second highest in the state after Kodiak. Alaska's Commercial Fisheries Entry Commission reports that 1,936 individual permits were fished in 1997 by Peninsula residents, who targeted salmon, herring, halibut, sable fish, a variety of groundfish, crab and other species. Even mariculture (farming oysters and mussels) and sea cucumber diving were part of the commercial activities.

Not all Kenai Peninsula fishers stay close to home to earn their living; many catch fish or crab in other Alaska waters. Kenai Peninsula residents can be found on fishing grounds from southeast to the northern edges of the Bering Sea, engaged in all types of fisheries. A large group fishes in the Gulf of Alaska or Cook Inlet waters.

Wage and Salary Employment by Industry 3
1990-1998 Kenai Peninsula Borough

	1990	1991	1992	1993	1994	1995	1996	1997	1998	Change 1990-1998	Change 1990-1998	Ann. Avg. Change
Total Employment	13,892	14,376	14,474	15,451	15,816	16,109	16,110	16,328	16,588	2,696	19.4%	2.2%
Agric., Forestry, Fishing	193	233	419	419	91	70	81	74	69	-124	-64.2%	-12.1%
Mining	1,175	1,156	1,051	1,071	1,146	1,105	978	1,152	1,088	-87	-7.4%	-1.0%
Construction	701	713	623	689	813	846	867	886	915	214	30.5%	3.4%
Manufacturing	1,861	2,066	1,848	1,833	1,799	1,804	2,006	1,908	1,614	-247	-13.3%	-1.8%
Seafood Processing	1,149	1,284	1,136	1,024	952	961	1,096	1,072	807	-342	-29.8%	-4.3%
Transportation/Comm/Utilities	995	1,006	967	1,001	1,059	1,052	989	1,047	1,199	204	20.5%	2.4%
Trade	2,555	2,708	2,945	3,194	3,414	3,432	3,438	3,597	3,833	1,278	50.0%	5.2%
Wholesale Trade	403	379	414	441	472	445	447	465	478	75	18.6%	2.2%
Retail Trade	2,152	2,329	2,531	2,753	2,942	2,986	2,991	3,132	3,355	1,203	55.9%	5.7%
Finance/Insurance/Real Estate	281	278	300	323	352	366	360	368	377	96	34.2%	3.7%
Services & Misc.	2,693	2,806	2,815	3,155	3,376	3,251	3,223	3,134	3,267	574	21.3%	2.4%
Government	3,421	3,398	3,479	3,728	3,768	4,181	4,168	4,162	4,228	807	23.6%	2.7%
Federal	285	289	308	357	374	374	405	415	406	121	42.5%	4.5%
State	1,077	1,051	1,029	1,031	1,033	1,040	1,047	1,041	1,041	-36	-3.3%	-0.4%
Local	2,059	2,058	2,141	2,341	2,361	2,767	2,716	2,706	2,781	722	35.1%	3.8%

Totals may not add due to rounding.

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

Salmon

Among the varieties of fish harvested in waters along the shores of the Kenai Peninsula, salmon dominate, in particular the red salmon fishery. During the 1990s, harvest success and prices have fluctuated. Despite market problems which plague Alaska's entire salmon industry, Cook Inlet red salmon have kept a premium position. They usually fetch high prices because of their large size and quality. However, harvest volumes of earlier Alaska red salmon fisheries such as those in Copper River, Kodiak and Bristol Bay significantly impact product prices of the late-season Cook Inlet fish. In 1998, for example, prices were good because of the disastrous harvest in Bristol Bay, but catches were low. The 1999 season, however, turned out to be good for Cook Inlet fishers. Nearly 2.7 million red salmon were caught in Upper Cook Inlet and prices remained good.

The salmon fishery in the Upper Cook Inlet fishing district remains the most important according to harvester population. Over 1,300 individuals own commercial salmon fishing permits. Fishing effort remains high, especially among the Cook Inlet drift gillnet fleet. In 1997, the fleet size was 572 boats. Participation among those who fish from shore also remains high, although interest has waned a bit. In 1990, for example, 86 percent of all setnet permits were fished versus 80 percent in 1997. That year, a total of 603 permit holders anchored their nets from Cook Inlet beaches.

Another salmon harvest takes place in the Lower Cook Inlet fishing district. A small fleet, limited to 85 participants, targets pink and red salmon during the season. Here, harvest value and production have fluctuated considerably during the 1990s and fishing effort has varied accordingly. In 1997, for example, when a $768,000 harvest came in at 44 percent of its 1996 value, only 23 boats fished. Because pink salmon usually make up the bulk of the Lower Cook Inlet catch, its value has turned modest with the low prices paid for pinks.

Not all of the Cook Inlet salmon fishers are local residents. In 1997, over 50 percent of those who fished in Upper Cook Inlet were Kenai Peninsula residents. Another 30 percent of Cook Inlet fishers live elsewhere in Alaska, mainly Anchorage and vicinity. But over 20 percent of these salmon permits belong to people who live out of state.

Groundfish, flatfish and herring

Halibut and sablefish (black cod) are prominent commercial fisheries for Kenai Peninsula residents. Both halibut and sablefish have surpassed salmon in per pound value. During the 1997 season, about 340 Kenai Peninsula residents delivered halibut catches and nearly 100 offloaded sablefish. Because both fish are caught in the Gulf of Alaska and Cook Inlet, many area fishers offload their catches in Homer, Seward, and some even in Kodiak. In 1998, Homer took first place in the state in commercial halibut landings. In 1999, Homer will likely retain its lead. By mid-August it ran ahead of other places in deliveries. Seward has become the favored port for sablefish deliveries. In 1998, nearly seven million pounds went over Seward docks. As the 1999 season progresses, it appears most sablefish catches will again go to Seward.

Other groundfish harvests also take place along the Gulf coast of the Kenai Peninsula and Cook Inlet. Among them, pollock and gray cod (Pacific cod) are the most popular target species. Although groundfish harvests have only developed during the 1990s, their importance is gaining.

For herring fishers of Cook Inlet, the fishery has not been a stable producer during the 1990s. In 1997, the harvest value fell below half a million dollars for 44 participating boats. In 1996, the fishery was worth nearly $6 million. Since then, market prices and a low return of marketable fish have impaired the value of this fishery. There was no commercial herring harvest during the 1999 season.

Other

A few mariculture operations have been

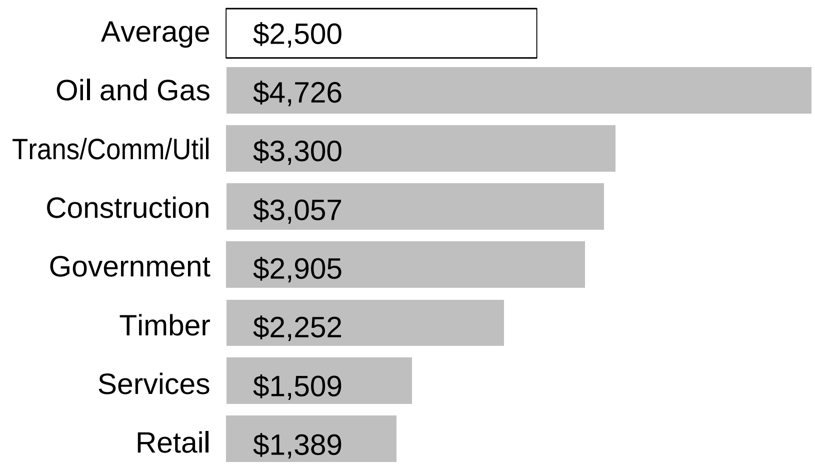
established in Kachemak Bay. Both mussels and oyster beds are cultivated. The mariculture industry is still fairly new in the state but for operators in Kachemak Bay, business has been developing. Demand is growing for oysters raised here because of their supreme quality. Scallops are also harvested in the area, but only a few boats have permits to participate.

The fishing industry remains an important ingredient in the Kenai Peninsula's economy. Many residents still earn their livelihood from the riches of the sea. Because many fishers have diversified into various types of fisheries, it is hard to enumerate the size of the local self-employed fishing community. It is harder yet to gauge how many derive their primary income from fishing. For some residents, commercial fishing merely supplements other income. All activities, however, benefit crews and the suppliers of the industry as well. Although fish processing employment has suffered in recent years, partially through scaled-back operations, the fish processing industry still employs more than any other manufacturing industry on the Kenai Peninsula.

Oil has spawned many industries

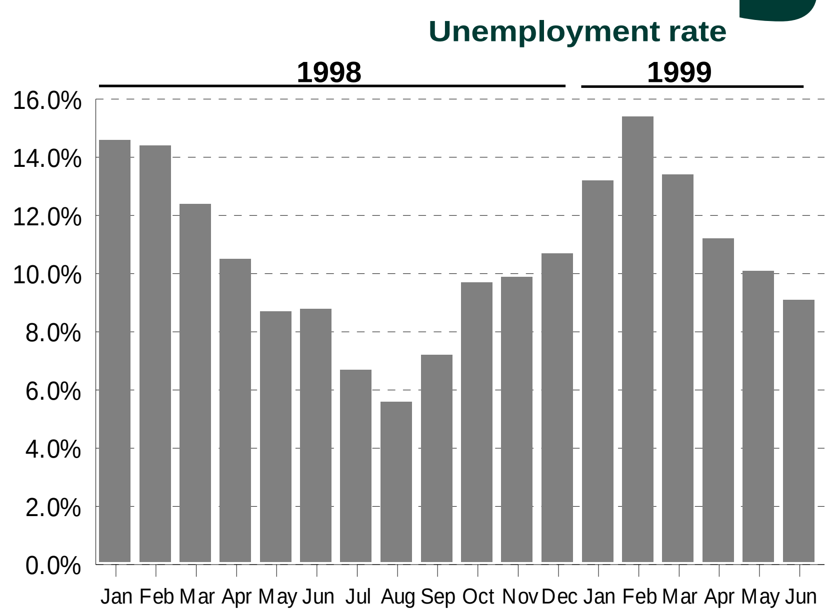
The Peninsula is Alaska's "mature" oil province. The oil industry has made itself felt for over 40 years, and it remains an integral part of the Peninsula's economy. It may also continue to be the single largest source of well-paying jobs in the area. Employment in the oil and gas industry represents approximately 6.5 percent of all wage and salary employment but because of its high wages, the industry is responsible for nearly 12.3 percent of all payroll earned on the Peninsula. (See Exhibit 4.) This is so despite the fact that oil production peaked in 1970 and today's production is one-seventh of the peak year. Steady gas production and North Slope activity have helped ward off steep employment declines. In 1998, there were nearly 1,100 jobs in the oil and gas industry. Outside of heavy losses in 1996, employment levels have changed little in the 1990s.

Average Wages by Industry 4
Kenai Peninsula Borough–1998



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

The Seasonal Unemployment Picture 5
On the Kenai Peninsula



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

But this is only part of the story. Much of Cook Inlet's oil and gas industry provides feedstock for a number of "value-added" activities. These include Tesoro's oil refinery, Unocal's urea plant and Phillips Petroleum's LNG plant. The first two players, together, employ 419 workers in manufacturing. (Phillips' numbers are counted in the oil industry.) If their payrolls were added to oil and gas, nearly 20 percent of the Peninsula's wage and salary earnings would come from the hydrocarbon sector. And this is a conservative number because firms such as construction contractors, logistics support and others that are directly engaged by the industry are not included in these figures. The absence of much employment seasonality is another benefit this industry bestows. This industry plays an important role not only in employment; eight of the Peninsula's top 10 taxpayers are also attached to the oil industry.

6 Population Breakdown
Kenai Peninsula Borough

	1990	1998	Annual Average Growth Rate
Kenai Pen. Borough	40,802	48,815	1.1%
Anchor Point	866	1,188	4.0
Clam Gulch	79	108	4.0
Cohoe	508	602	2.1
Cooper Landing	243	283	1.9
Crown Point	62	102	6.4
Fox River	382	439	1.8
Fritz Creek	1,426	1,998	4.3
Grouse Creek	580	639	1.2
Halibut Cove	78	74	-0.7
Happy Valley	309	400	3.3
Homer	3,660	4,155	1.6
Hope	161	135	-2.2
Jakolof Bay	28	51	7.8
Kachemak	365	419	1.7
Kalifonsky	285	338	2.2
Kasilof	383	558	4.8
Kenai, City of	6,327	7,058	1.4
Moose Pass	81	134	6.5
Nanwalek (English Bay)	158	180	1.6
Nikiski	2,743	3,060	1.4
Nikolaevsk	371	467	2.9
Ninilchik	456	675	5.0
Port Graham	166	190	1.7
Primrose	63	62	-0.2
Ridgeway	2,018	2,381	2.1
Salamatof	999	1,135	1.6
Seldovia	459	408	-1.5
Seward	2,699	3,040	1.5
Soldotna	3,482	4,134	2.2
Sterling	3,802	5,888	5.6
Tyonek	154	152	-0.2
Remainder of Kenai-Cook Inlet census subarea	6,751	7,639	1.6
Remainder of Seward census subarea	658	723	1.2

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

Much of the oil and gas industry's infrastructure is old, and big new investments are few. Even the size and life of Cook Inlet's gas reserves are being debated. Some of the oil platforms are for sale and a few have been shut down. But periodically there is renewed interest in exploration. In 1999, interested parties paid $2.4 million for oil leases in Cook Inlet. Old players like Chevron, Mobil and others have left the area but they have been replaced by new players such as Anadarko Petroleum Corp., Cross Timbers, Union Texas Petroleum Corp. and Forcenergy. Both Forcenergy and Phillips Petroleum have plans to drill new prospects and Cross Timbers is reworking older properties. This indicates that a number of oil patch players believe production potential still exists on the Peninsula.

In 1998, Nikiski became the site of a $30 million module construction project for the new Alpine oil field on the North Slope. It was completed in July 1999 and shipped north. The area's skilled workforce and historical ties to the oil industry were important reasons for building the modules here. It took more than 320 people to complete the project. Many believe its success could lead to more of this type of work in the future.

Timber industry is small, but it has grown

The economic impact of the timber industry on the Peninsula remains small. In the early 1990s, there was hardly a trace of an industry, but by 1998 more than 200 jobs existed in the borough. Because of the massive spruce beetle infestation, the best market has proved to be wood for pulp processed into chips, which is shipped to other places in North America and Japan. There is also some value-added sawmill activity. For example, Alaska Spruce Products, the largest mill in the area, is producing enough finished lumber to supply Home Depot and Arctic Builders in Anchorage. It employs approximately 30 people.

The public sector provides some stability

The public sector plays a smaller role in the Peninsula's economy than it does statewide, but it remains a significant player. Sixty-six percent of all public sector employment is in local government and more than half of local government is education. As school enrollments have grown, so has school district employment. In fact, the Kenai Peninsula School District is the single largest employer in the borough. Unlike many areas of the state, health care accounts for a significant share of local government employment. This is because both the Central Peninsula and South Peninsula hospitals receive significant local public funds even though they are run by nonprofit organizations. The state sector has budged little during the 1990s. Some of the big players are the Spring Creek and Wildwood Correctional Centers, and the Departments of Fish and Game and Transportation. Federal employment has changed little in recent years. The FAA and federal natural resource agencies employ most federal workers.

Unemployment has come down but remains high

During most of the past decade, the unemployment rate on the Peninsula has been in the double digits and is often among the highest in the state. (See Exhibit 5.) Why the rate tends to be so high is not fully understood but some reasons are clear. Part of the explanation is that the economy is extremely seasonal–4,500 jobs separate the low and peak employment months during the course of a year. Another contributing factor is that many borough residents are employed elsewhere in the state but return home when they lose their jobs. Additional reasons for

Current Statistics and Census Data 7
A Snapshot of the Kenai Peninsula Borough

	Alaska	Kenai Peninsula Borough
Population 1998	621,400	48,815
The population is older with more persons per household		
Median age (1998)	32.4	35.4
Persons per household (1998)	2.71	2.79
...and there are more seniors (1998)		
Percent under 5 years old	8.4	6.9
Percent school age population (5 to 17)	23.3	24.0
Percent adult workforce population (18 to 64)	63.1	62.5
Percent seniors (65 years & over)	5.3	6.6
...and there are slightly more women		
Percent female (1998)	47.7	47.9
Demographics of the region (1998)		
Percent Native American	16.8	7.5
Percent White	73.9	90.4
Percent African American	4.4	0.6
Percent Asian/Pacific Islander	4.9	1.5
Percent Hispanic	4.6	2.7
More workers are unemployed (1998)		
Percent of all 16 years+ in labor force (estimate)	71.2	60.6
Percent unemployed	5.8	9.8
Income measured		
Personal per capita income (1997)	$24,983	$22,994
Personal Income–Average Annual Percentage Change 1990-97	3.8%	3.4%
Wage and salary employment (annual average 1998)	$33,420	$30,003
Educational attainment (1990)		
Percent high school graduate or higher	86.6	87.2
Percent bachelor's degree or higher	23.0	17.9

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

the stubbornly high rate are difficult to identify and isolate.

Last year, there was some reprieve from the high unemployment rate. The Peninsula's unemployment rate fell to 9.8%. This was its lowest level in the 1990s but still four points above the statewide jobless rate. In 1999, the Peninsula's rate crept up a bit but remains considerably below historical levels. In fact, during the summer months of the past two years, employers have often had a difficult time recruiting a complete workforce, with the fish processors experiencing the worst problems.

Population grows fastest outside four key communities

Like employment, the Peninsula's population grew more moderately during the 1990s than in previous decades. Between 1990 and 1998, the area's population grew 2.3% annually. Even this moderate pace was more robust than the state's 1.5% growth rate. During four out of the five last years, the state experienced negative migration rates while the Peninsula's were positive each year. Because of this stronger growth, the Peninsula's share of the state's population has grown from 7.4% in 1990 to eight percent in 1998. The area is also getting a bit more crowded–it went from 2.6 persons per square mile to three.

The Peninsula's geography is as diverse as its economy. For the sake of analysis, the Peninsula has been divided up into three relatively distinct regions–the Seward area, the Kenai/Soldotna area or the Central Peninsula, and the Homer region. But the Peninsula's geography is really not that straightforward. Its population of 48,815 is spread out among 31 identified communities of all shapes and sizes. (See Exhibit 6.) A significant share of the population is spread out along the highways and elsewhere rather than residing in any identifiable communities. Six Peninsula communities are accessible only by plane or boat. Most of the population lives outside any of the six incorporated communities. Although the cities of Kenai, Soldotna, Homer and Seward are the largest incorporated communities on the Peninsula, they represent just a little over a third of the borough's population. The biggest concentration of the area's population lives in the area immediately surrounding the communities of Kenai and Soldotna. Most of these areas are growing considerably faster. For example, Sterling

8 Kenai/Soldotna Wage and Salary Employment
1990-1998 by industry

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total Employment	8,671	9,279	9,574	10,272	10,708	10,698	11,174	11,469	11,515
Mining	1,034	1,036	1,047	1,068	1,141	1,100	972	1,148	1,092
Construction	327	490	489	543	619	595	592	588	624
Manufacturing	961	1,310	1,294	1,258	1,219	1,256	1,497	1,522	1,195
Seafood Processing	*	*	733	707	637	627	807	870	560
Transportation/Comm/Utilities	560	598	557	548	565	524	498	534	526
Trade	1,652	1,722	1,939	2,201	2,348	2,226	2,175	2,236	2,524
Wholesale Trade	303	288	312	373	398	361	351	360	383
Retail Trade	1,349	1,434	1,627	1,829	1,951	1,865	1,825	1,875	2,141
Finance/Insurance/Real Estate	174	176	194	203	218	222	226	239	234
Services & Misc.	1,862	1,974	1,965	2,176	2,315	2,147	2,074	2,054	2,090
Government	2,039	1,966	2,089	2,274	2,282	2,628	2,548	2,560	2,606
Federal	140	150	155	196	214	223	237	243	235
State	611	529	529	545	540	544	546	543	531
Local[1]	1,355	1,287	1,405	1,533	1,528	1,861	1,765	1,774	1,840

[1] Includes estimate for Kenai Peninsula Borough School District. Totals may not add due to rounding. * Data not available

Source: Department of Labor and Workforce Development, Research and Analysis Section and Kasilof grew more than twice as fast as the Peninsula overall. There are also a few communities, such as Seldovia, that lost some population in the 1990s.

It is interesting to note that the Peninsula's population is considerably older than that of the the state. The borough's median age in 1998 was 35.4, three years older than the statewide population. (See Exhibit 7.) This is because a smaller proportion of Peninsula residents are younger than five and a larger proportion are over 65. There are also more in the 55-64 age category. This could mean a few things. More residents are choosing to stay on the Peninsula when they retire and, perhaps, a growing number of people outside of the Peninsula are retiring to the Peninsula. There is a lot of anecdotal evidence that people are increasingly choosing to retire in places such as Homer, Sterling, Anchor Point, along the Kenai River and elsewhere. The climate is relatively mild, the life style is attractive to many, recreational opportunities abound, and compared to elsewhere in the state, the cost of living is low. This should not necessarily come as a surprise. Many "resort" type areas around the nation have become attractive places for older Americans to retire. As this phenomenon has grown so has its economic impact. Some refer to this phenomenon as the "mail box" economy, with income for this population coming through the mail in the form of pension checks and asset disbursements but being spent locally. This could become a growing slice of the Peninsula's already diverse economic pie.

In a slightly different vein, a considerable number of borough residents work elsewhere in the state. The largest numbers among these distant commuters are probably attached to the oil industry. For example, 277 BP and ARCO workers live on the Peninsula.

The Largest Employers in the Kenai/Soldotna Area 9

1998

Rank	Name of Company/Organization	Annual Average Employment	Business Activity	Location
1	Kenai Peninsula Bor. School District [1]	944	Local Government	Soldotna/Kenai
2	Union Oil Co. of California (Unocal)	416	Petroleum Products/Platforms	North Kenai
3	Peak Oilfield Services	333	Oilfield Services	North Kenai
4	Kenai Peninsula Borough [1]	327	Local Government	Soldotna
5	Central Peninsula General Hospital	276	Hospital	Soldotna
6	Fred Meyer	232	Grocery/General Merchandise	Soldotna
7	Alaska Petroleum Contractors	182	Oilfield Services	North Kenai
8	Tesoro Alaska	168	Refinery/Gas Stations	North Kenai
9	Kmart	160	General Merchandise	Kenai
10	Baker Hughes Oilfield Services	139	Wholesale/Petroleum	North Kenai
11	Carr Gottstein Foods	124	Grocery	Kenai
12	City of Kenai	119	Local Government	Kenai
13	Polar Equipment/Cook Inlet Salmon	118	Seafood Processing	Kenai
14	US Department of Transportation (FAA) [1]	115	Federal Government	Kenai
15	Safeway Stores	110	Grocery	Soldotna
16	Alaska Department of Corrections	109	State Government	Kenai
17	Inlet Fisheries	102	Seafood Processing	Kenai
18	Frontier Community Services	99	Janitorial Services	Soldotna
19	Central Peninsula Counseling Services	92	Health Care	Kenai
20	Dragnet Fisheries, now Cherrier Seafoods	91	Seafood Processing	Kenai

[1] Estimated

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

The area's population mix has changed little since 1980. The borough's population is more than 90 percent white. Native Alaskans make up the second largest group with 7.5% of the population. The ratio of males to females is almost identical to that of the rest of the state.

Highlights of the big three:

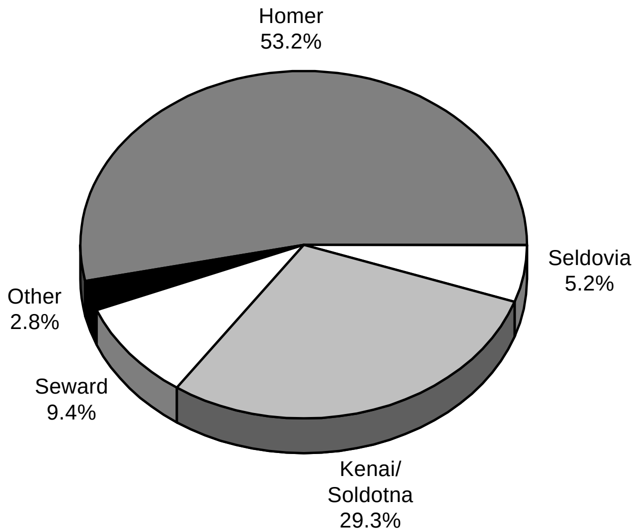
Retail, services and construction boost the Kenai/Soldotna area

The Kenai/Soldotna economic area is the largest and most diverse region of the borough. In fact, most of what can be said about the diversity on the Peninsula applies to this area, since it is home to all of the industries already mentioned. The area's wage and salary workforce is nearly 3,000 larger than it was in 1990. (See Exhibit 8.) During the 1990s, employment in oil and gas and its related industries changed little. Commercial fishing and the fish processing industry remain mainstays in the area. In 1997, fishers living in the Central Peninsula earned over $20 million and fished 662 permits. Processing employment has waned somewhat, accompanying the closure of the Ward Cove plant in 1999.

One of the growth industries in the area has been retail; employment nearly doubled in less than a decade. Combined gross sales for the cities of Kenai and Soldotna grew 62 percent or $212 million between 1990 and 1998. Even after adjusting these figures for inflation, sales still grew by 31 percent. Four of the top employers are retailers. (See Exhibit 9.) This area has become the center of commerce for the borough. To some extent this has always been true, but it is quickly displacing much of the activity that used to flow to Anchorage. Another contributor to retail, services, and other industry growth is the visitor industry.

The Kenai River flows through the area, and supports the biggest sports fishery in the state–some have estimated a fifth of all sports fishing takes place on this river system. The area is home to other major sports fisheries and visitor attractions. The construction industry has benefited from growth in these industries and in population. Construction employment nearly doubled in the 1990s. Building permit value for the city cluster of Kenai and Soldotna grew from a little over five million dollars in 1990 to nearly $17 million in 1998. The Central Peninsula is also the borough government's administrative center. The borough headquarters, the school district and many of the major federal and state offices are in this region of the borough, contributing stability to the area.

10 **Homer Residents Earned Half the income that came from fishing on the Peninsula in 1997**



Source: Commercial Fisheries Entry Commission

Homer–where the fishing and visitor industries dominate

Homer's economy is eclectic like so many on the Peninsula. From its inception, commercial fishing and the visitor industry have been mainstays of the area's economy. There are also significant numbers of people who live in Homer but work elsewhere in the state or have chosen Homer as a location to retire.

In 1997, Homer area residents claimed more than half of the Peninsula's fishing income. Many Homer area residents belong to the Cook Inlet fishing fleet, but a large number of Homer boats leave to fish the Kodiak, False Pass, Bristol Bay, Prince William Sound and other regions. Homer residents fished 787 permits in 1997. But in 1998, Homer's fishing industry suffered a blow when its largest fish processing plant, Icicle Seafoods, burned to the ground. There are no plans to rebuild. Icicle had been one of Homer's largest taxpayers, a big employer and a place where much of the fleet sold its harvest.

Another indigenous industry in Homer is the visitor sector. Like elsewhere on the Peninsula, it draws from a diverse group of people. In 1998, Homer's charter boat fleet was 245 boats strong, making it the largest in the state. This fleet was the forerunner to what has now become a huge statewide industry. However, not all visitors head to Homer to fish.

In fact, Homer was one of the earlier areas of Southcentral Alaska to develop a significant visitor industry–possibly because of its stunning beauty. Thousands come simply to sightsee, taking in the Homer Spit and the beauty of Kachemak Bay and Kachemak Bay State Park. Nature viewing is another big

Homer's Largest Employers 11
1998

Rank	Company/Organization	Annual Average Employment	Business Activity
1	South Peninsula Hospital	227	Hospital
2	Kenai Peninsula School District [1]	154	Local Government
2	City of Homer	99	Local Government
3	Lands End Resort	71	Hotel/Resort
4	Carr Gottstein Foods, dba Eagle Store	71	Grocery
5	Homer Electric Association	69	Utility
6	Alaska Wildberry Products	60	Gift Shop
7	Circle De Pacific	46	Lumber Products
8	South Peninsula Mental Health Association	41	Health Care
9	Spenard Builders Supply	36	Building Supplies
10	Kenai Peninsula Services/Mc Donalds	33	Eating Establishment

[1] Estimate

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

Homer's Wage and Salary Employment 12
By industry, 1990-1998

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total Employment	2,102	2,312	2,182	2,289	2,472	2,647	2,638	2,615	2,539
Construction	214	128	88	92	125	163	142	149	165
Manufacturing	304	414	296	261	301	242	280	190	167
Transportation/Comm/Utilities	245	226	213	235	271	288	243	237	229
Trade	450	546	515	548	572	696	734	764	664
Finance/Insurance/Real Estate	*	*	*	*	*	76	73	64	67
Services & Misc.	375	410	451	486	501	527	535	555	587
Government	463	533	558	601	630	655	631	656	660
Federal	56	63	67	68	66	66	68	74	68
State	27	102	98	93	103	103	107	111	111
Local [1]	380	368	393	439	460	487	456	471	481

[1] Includes estimate for Kenai Peninsula Borough School District * Data not available Totals may not add due to rounding

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

attraction. Many tourists also visit its many art galleries and its renowned Pratt Museum, which welcomed nearly 32,500 visitors last year. For lodging, besides hotels, Homer has over 200 bed and breakfast places. Cottage industries have also developed around the visitor industry. There is a lack of actual data to substantiate this growth because most members of the cottage industry are self-employed and rarely have employees. There is, however, some concern in Homer that increased competition from Seward and the development of Whittier could hamper future visitor growth. This is because Homer is furthest away from Anchorage of the major communities. Others believe the industry is strong enough that neither distance nor competition from other ocean-access places will be able to outweigh Homer's unique flavor and sheer beauty.

Homer population has grown a bit more rapidly than that of the Peninsula as a whole, and some of the surrounding areas, like Fritz Creek and Happy Valley, have grown considerably faster. Employment, on the other hand, has changed little over the past four years. (See Exhibits 10, 11 and 12.)

Seward–logistics, visitors, fishing and a prison

Although Seward is one of the smaller regions on the Peninsula, it is home to a diverse, dynamic economy. (See Exhibit 13.) Over the last decade, it has successfully exploited its location beyond most people's expectations. As the southern terminus of the Alaska railroad and home to an important ferry terminal with a deep-water dock, Seward has become an important destination for the visitor industry. According to relatively old data (1993), Seward ranked eighth in the state in number of visitors, right behind the much larger community of Fairbanks. If there were more recent data, its standing probably would have improved because of the dramatic rise in the number of cruise ship passengers. Over the past decade, Seward has become the primary port of entry for the burgeoning cruise ship trade in Southcentral Alaska. Seward has also developed into a major visitor destination, with Kenai Fjords National Park as one of its primary attractions. Possibly more important than the growth of the

13 Seward's Wage and Salary Employment

By industry, 1990-1998

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Total Employment	1,753	1,851	2,029	2,111	1,767	1,777	1,824	1,802	2,037
Construction	63	54	20	38	31	60	100	110	93
Manufacturing	312	334	239	298	259	229	168	143	230
Transportation/Comm/Utilities	106	118	129	147	149	149	162	190	218
Trade	266	323	378	318	334	324	349	377	412
Finance/Insurance/Real Estate	*	*	*	*	22	22	21	24	23
Services & Misc.	223	242	284	346	366	338	363	340	404
Ag/Forestry/Fishing	135	173	353	342	3	2	1	1	1
Government	626	586	604	602	604	652	660	617	656
Federal	46	48	50	51	52	54	63	62	90
State	416	369	378	371	364	367	371	366	377
Local [1]	164	170	176	181	188	231	226	189	189

[1] Includes estimate for Kenai Peninsula Borough School District. * Data not available Totals may not add due to rounding.

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

cruise ship traffic has been the local development of the scenic day-cruise ship tours that take thousands of visitors into the Kenai Fjords Park and Resurrection Bay. Seward is also home to a large charter boat fleet. In 1998, according to the Commercial Fisheries Entry Commission, 117 boats were registered. Last year, the Seward Sealife Center opened its doors, quickly becoming a major attraction for in-state and out-of-state visitors alike. Another testament to this visitor industry-based growth has been the recent spate of hotel construction with the new Edgewater, the expanded Windsong Lodge, a new 56-unit U.S. Army Seward Resort and planned expansion of two other hotels.

Commercial fishing and fish processing are also important players in the area's economy. Unlike elsewhere on the Peninsula, seafood processing activity has recently increased in Seward. This is because Icicle Seafoods shifted its production to its Seward plant when the Homer plant burned down in 1998. Seward is also the site for the Alaska Vocational Technical Educational Center (AVTEC) and the state's maximum-security prison, Spring Creek. (See Exhibit 14.) Both these facilities provide the community with stable year-round employment.

Summary–envy of the state

Even if one and sometimes more of the Peninsula's industries experience a setback, the area's economy, because of its incredible diversity, can sustain itself and even continue to grow. Two of the area's big industries with long-term historical ties to the area, commercial fishing and oil, remain important players in the economy and are an important source of well-paying jobs. The area's visitor industry is not only large, but continues to be a major source of growth. The expansion of its secondary sectors, such as retail and services, gives the Peninsula's economy more depth. The economic diversity the Peninsula enjoys remains the envy of much of the rest of the state.

Seward's Largest Employers 1998 — 14

Rank	Name of Company/Organization	Average Annual Employment	Business Activity
1	Alaska Department of Corrections (State Prison)	199	State Government
2	Alaska Heritage Tours	111	Sightseeing Boat Charter
3	Kenai Peninsula Borough School District [1]	94	Local Government
4	City of Seward	94	Local Government
5	Alaska Department of Education (AVTEC)	75	State Government
6	Icicle Seafoods	68	Seafood Processing
7	Seward Ass'n for the Advancement of Marine Science	58	Sealife Center
8	Wesley Rehab and Care Center	56	Nursing/Personal Care Facility
9	Cook Inlet Processing	56	Seafood Processing
10	Alaska Department of Transportation & Public Facilities	54	State Government

[1] Estimate

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

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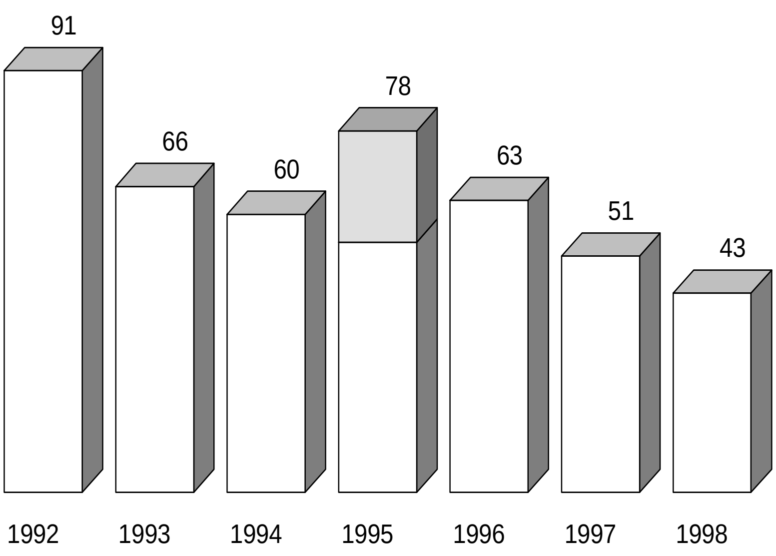
Workplace Fatalities Decline

by Talitha Lukshin
Labor Economist

Most deaths continue to result from aircraft and water vehicle accidents

The strong downward trend in workplace fatalities in Alaska continued in 1998, with a total of 43 fatalities. This is the fewest fatalities since the Census of Fatal Occupational Injuries (CFOI) began in 1992. (See Exhibit 1.) Fewer highway and aircraft fatalities, and an absence of logging and diving fatalities contributed to the decline. However, lives lost in water vehicle accidents and as a result of falls increased from the previous year.

1 Deaths in Alaska, 1992-1998
Census of Fatal Occupational Injuries (CFOI)



Note: 24 deaths in 1995 were related to a single military air crash.

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

It is significant that the number of fatalities is declining during a period when the statewide labor force is increasing. In 1992, the first year statistics were compiled, the fatality rate was 31 per 100,000 workers. In 1998 the rate reached a low of 14 per 100,000 workers. (See Exhibit 2.) When five-year periods are compared, the fatality rate for 1994-1998 is down 18 percent from the period 1992-1996.

A comparison of Alaska's occupational fatality rate to that of other states is available for 1997. Alaska's rate of 17 fatalities per 100,000 workers led all other states, with Wyoming next at 12 per 100,000. The national average rate throughout the 1990s has been five per 100,000.

Major causes of occupational fatalities in Alaska consistently differ from national trends. Nationally, the majority of deaths are in the "other transportation," "violent acts" and "contact with objects" categories. In Alaska water vehicle and aircraft fatality cases dominate the count. Since 1992, nearly two out of three deaths counted in the Alaska census have involved either aircraft or water vehicle accidents; their combined total in 1998 was 63 percent. (See Exhibit 3.)

The 1998 count for water vehicle fatalities increased to 14 from eight in 1997, while the overall trend has moved downward. Aircraft fatalities numbered 13 in 1998, down from 19 in

1997. While the numbers in these two categories go up or down from year to year, together, they consistently account for the majority of lives lost.

Fishing industry fatalities rose significantly

The number of fishers killed on the job rose from three in 1997 to 13 in 1998, highlighting the hazards of this occupation and the dangers faced by rescuers. Two incidents claimed six lives. Four were lost when the *F/V Evanick* capsized en route to the herring grounds. Two of five fishers died after abandoning the sinking *F/V La Conte* in 50-foot seas. Heroic rescue efforts in high winds by multiple helicopter crews from U.S. Coast Guard (USCG) Sitka Station brought four of the five home. Three survived. The *La Conte* was not equipped with a deployable life raft. The condition of the survival suits probably contributed to the loss of the two men. A rip in the suit when abandoning the vessel may have resulted in hypothermia for the skipper, who was recovered, but did not survive. The other crewman lost in this sinking had borrowed a suit just before departing. USCG investigators speculated that the suit was too big and, therefore, ineffective.

Salmon fishing in Prince William Sound claimed two lives in separate incidents when two vessels, each with a single crewman, capsized. In one case, the vessel was running too close to breaking surf. In the other, the vessel was found swamped with water in the pilothouse with no one aboard. In the Seward area, another fishing vessel overturned in transit from shipyard to harbor, and the lone crewman piloting the vessel was lost. The lack of ballast in the presence of a heavy snow load was a factor, according to USCG reports.

Two fishers fell overboard in 1998, and another was pulled over during crabbing operations. One fisher fell overboard from the topside of the rear shelter deck; heavy seas and the low railing height were contributing factors. Another fisher was leaning overboard to secure a crab pot when the vessel took a mild roll and he fell over. The fisher lost when launching crab pots brings to nine the total pulled over by lines connecting fishing gear since 1992.

Despite the 1998 increase in fishers' lives lost , the trend line for lives lost since 1992 declines more steeply than the trend for vessels lost. (See Exhibit 4.) In 1992, based on data provided by the

Fatality Incidence Rates [1]
Alaska and U.S., 1992-1998

2

Year	Alaska CFOI [2]	Alaska CPS Employment [3]	Alaska Rate per 100,000	U.S. Rate per 100,000
1992	82	261,155	31	5
1993	64	274,788	23	5
1994	54	281,417	19	5
1995	51	281,502	19	5
1996	61	291,246	21	5
1997	50	291,102	17	5
1998	41	298,547	14	5
1992-1996	62	278,022	22	5
1993-1997	56	284,011	20	5
1994-1998	51	288,763	18	5

[1] An incidence rate is calculated as (N/Wx100,000) where N is the number of occupational fatal injuries and W is the number of workers employed, multiplied by a base number of workers. Here, 100,000 workers is used.

[2] The CFOI counts shown here exclude military personnel, volunteer workers and workers under 16 years of age.

[3] Current Population Survey (CPS) employment for the civilian labor force, 16 and older, are estimates based on a monthly survey of Alaska households. The rates are considered experimental by the U.S. Bureau of Labor Statistics because the CPS data are by place of residence and CFOI fatality data are by place of occurrence.

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

USCG, 44 vessels were documented losses and 35 fishers lost their lives. In 1998, there were 32 vessels lost, but 13 deaths. The decline in lives lost coincides roughly with the period after new safety regulations were implemented by the USCG in Alaska. The significant changes have been the requirement of immersion suits for all crew, and a deployable life raft and Emergency Position Indicating Radio Beacons (EPIRB) for commercial fishing vessels operating in Alaska waters.

Air taxi deaths drop in 1998, but air carrier accidents are up

Five accidents claimed six pilots in unscheduled air transportation this past year, five of whom were wage and salary employees. This was fewer fatalities than in the previous year. Another set of statistics, fatal and nonfatal accident counts compiled by the National Transportation Safety Board (NTSB) for commercial air carriers, shows increases since 1995. (See Exhibit 5.) These statistics include both scheduled and on-demand flights, but exclude air carrier accidents in general aviation.

Of the five wage and salary air taxi pilots killed in 1998, four were reported by the employer to have had less than a year with the company. One crash killed both the pilot and co-pilot, so if an adjustment were made to include only the pilot-in-command, the ratio would be three out of four.

In 1997, nine of 11 air taxi pilots killed had less than two years with their company before their fatal accident. In that year, fatality and fatal accident rates for wage and salary workers in unscheduled air transportation were more than twice that of previous years.

3 Fatalities by Type of Accident[1]

Census of Fatal Occupational Injuries (CFOI) Alaska and U.S., 1992-1998

	Alaska										United States			
							1992-1997		1998		1992-1997		1998	
	1992	1993	1994	1995	1996	1997	Avg.	%	Count	%	Avg.	%	Count	%
Total	91	66	60	78	63	51	68		43		6,316		6,026	
Water Vehicle	38	21	14	21	26	8	21	31%	14	33%	106	2%	112	2%
Aircraft	26	22	10	34	16	19	21	31	13	30	322	5	223	4
Other Transportation	4	4	6	11	6	6	6	9	3	7	2,162	34	2,295	38
Contact with Object	10	4	9	4	4	6	6	9	1	2	1,005	16	960	16
Violent Acts	4	12	6	3	6	6	6	9	7	16	1,248	20	941	16
Falls	-	-	-	1	0	0	1	1	4	9	657	10	702	12
Fires & Explosions	0	1	3	0	1	2	1	2	1	2	194	3	205	3
Exposure	6	0	10	3	4	4	5	7	0	0	589	9	572	9
Other	-	-	-	1	0	0	0.3	0.5	0	0	35	1	16	0

[1] The event grouping (type of accident) is coded using the Bureau of Labor Statistics, Occupational Injury and Illness Classification Structure (OIICS).

– Not publishable as presented.

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

Sustained labor market growth starting in 1994 and building through 1997 increased the need for pilots in Alaska. Employment growth was most likely accompanied by more flights, more flight hours and tragically, looking at the NTSB data, more accidents. The number of accidents is up, but in the absence of data on flight hours, the rate of air carrier accidents is not known.

Fatalities to wage and salary pilots at air taxi carriers between 1992 to 1996 averaged just above three. A preliminary review of pilots killed on-the-job since 1992, coupled with the 1997 and 1998 data, indicates that aviation fatalities of newly hired pilots may be higher than would be expected.

If there is a link between commercial aviation accidents and pilot length of service with an employer, additional research is necessary to establish it. Similarly, any correlation between length of service with an employer and pilot flight experience in Alaska is yet to be examined. There is also the possibility that limited experience in a new geographic area with different operational complexities could be a separate contributing factor.

Violent acts account for 16 percent of deaths

Since 1992, assaults and violent acts have accounted for an annual average of six occupational fatalities. This count changed little with seven fatalities in 1998. However, this category now represents 16 percent of total fatalities, identical to the national census. Prior to 1998, assaults and violent acts in the U.S. accounted for one in five occupational fatalities, but in this past year the number dropped significantly. (See Exhibit 3.)

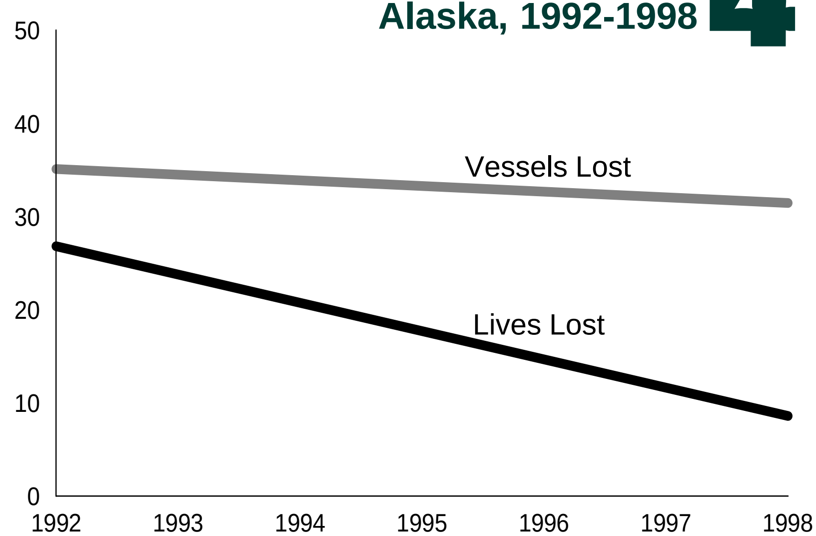
Five of the seven deaths in 1998 were shooting homicides. Three came during a string of cab driver homicides in Anchorage. Apparently, robbery was a motive. A murder of a news reporter occurred as he was leaving his place of work. The remaining homicide was a police officer performing a welfare check on a man reported as suicidal. After entering the house, the police officer was shot. An average of one police officer a year has been lost since 1992.

OSH investigates six fatalities in 1998

The Alaska Department of Labor and Workforce Development (AKDOL), Occupational Safety and Health (OSH) has limited jurisdiction over workplace safety. Only wage and salary employees are covered, and only in the absence of primary jurisdiction by another agency, such as USCG or NTSB. In 1998, OSH investigations covered 14 percent of the deaths recorded by this census.

In 1998, all six fatalities investigated by AKDOL OSH were in construction trades occupations. Two of the workers were struck by mobile vehicles, and two others fell from heights. Fatalities resulted from a crushing accident and an explosion. (See Exhibit 6.) There were no logging fatalities.

Fishing Industry Accident Trends
Alaska, 1992-1998 **4**



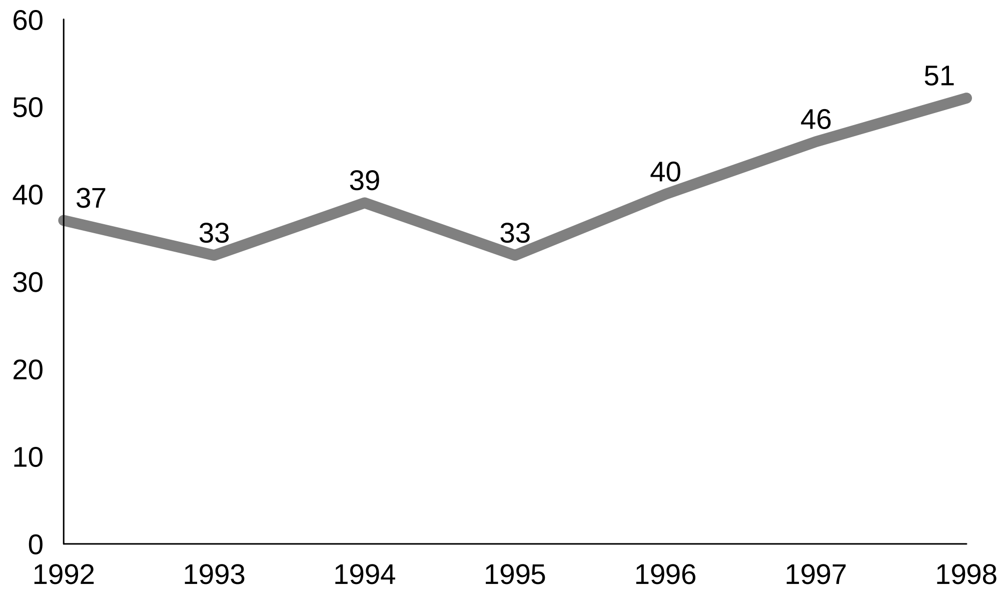
Source: U.S. Coast Guard, 17th District, Fishing Vessel Safety Office

Fatalities at guiding services and remote lodge operations increase

With the growth of the tourism industry, guiding operations and remote lodge operations have been expanding in the state. Since 1992, there have been 16 guides killed in Alaska as coded by the CFOI program, 10 of them in aviation accidents. The operating pilot was acting as a guide in five of the accidents; four others were in passenger status when killed. In this past year, a fishing guide was struck in the head by the propeller of a floatplane he was instructed to tie off to the dock. In 1997, another fishing guide died in a boating accident.

The challenge of Mt. McKinley has attracted climbers from all over the world to attempt the summit. The climb has always been a dangerous one. Since 1992, four guides in occupational status have been killed on the mountain, two of them in 1998. This past year, a young, but reportedly experienced guide unhooked to help a client, stumbled, and fell to his death. Two volunteer guides found themselves unroped on an extensive and steep ice sheet during an attempt to rescue a fallen climber. One of them fell to his death. (See Exhibit 7.)

5 Air Carrier Accidents
Fatal and nonfatal, Alaska 1992-1998



Source: Data compiled by National Transportation Safety Board and provided by Federal Aviation Administration, Alaska Region

Summary

The required use of safety equipment has greatly reduced loss of life in the fishing industry. Despite high loss of life, 13 fatalities in 1998, the trend remains downward. Four vessels and seven lives were lost during sudden capsize. Fishers lost overboard accounted for two more deaths.

Aircraft fatalities numbered 13 in 1998, down from 19 in 1997. Data collected by the CFOI program point to a possible association between wage and salary pilots recently hired at air taxi operations and fatal accidents, suggesting a need for further research.

In 1998, OSH-investigated fatalities covered 14 percent of the deaths recorded by this census, six deaths in all. Two workers were killed by nearby moving vehicles, and two others fell to their deaths. A crushing accident and an explosion claimed the other two lives.

The Census of Fatal Occupational Injuries (CFOI) records workplace fatalities under broad definitions of labor force, including military. Fatalities identified as unpaid family workers and volunteers in an otherwise-compensated position at commercial operations are also included.

Accident Investigations by AKDOL OSH 1998

6

Construction

A pipe fitter climbed to the roof peak to establish eye contact during a blind lift after radio communication failed. He stumbled, tripped and fell down the other side of the metal roof, dropping 40 feet to the ground below. The worker was wearing a body harness with a lanyard, but it was not secured.

An apprentice lineman, while walking and shoveling an earth berm alongside trenching machinery, fell and/or was pulled into the digging mechanism of a Vermeer Trencher T800B. The incident was not witnessed.

A construction laborer fell from a debris pile into a vault, striking his head on a concrete block wall being constructed six feet below ground level.

After helping to stretch a tractor-trailer to facilitate loading a crane, a foreman ironworker walked between the two vehicles. The tractor-trailer driver backed up, crushing the victim against the crane.

Trade

A welder cutting scrap metal with a propane/oxygen torch was fatally burned when vapors from a nearby abandoned metal fuel tank were ignited by welding slag. The tank had been recently unloaded at the storage yard and was thought to be empty.

Real Estate

When operating a forklift from a man basket above, an apprentice plumber, using a fishing net pole to manipulate the controls below, was pinned between ceiling pipes and the basket.

Source: Alaska Department of Labor and Workforce Development, Labor Standards and Safety Division

7 Occupational Fatalities in Alaska
1998

Event Grouping [1]	Cause	Cases	Occupation	Industry [2]
Water Vehicle				
	Pulled over	1	Fisher	Commercial Fishing
	Fell overboard	2	Fishers	Commercial Fishing
	Fell from and crushed by crabpot on deck	1	Fisher	Commercial Fishing
	Capsized vessel	7	Fishers	Commercial Fishing
	Sinking vessel	2	Fishers	Commercial Fishing
	Capsized vessel	1	Tug Captain	Mining, Gravel
Aircraft				
		6	Pilots	Transportation, Air
		1	Salesman	Trade, Aircraft Sales
		1	Owner	Services, Lodge
		1	Guide	Services, Lodge
		1	Systems Engineer	Services, Other
		1	Coordinator	Government, Federal
		1	Foreman	Government, Federal
		1	NR	NR
Other Transportation				
	Highway accident	1	Engineer	Manufacturing, Seafood Processing
	Worker struck by trencher	1	Lineman, Apprentice	Construction, Electrical
	Worker struck by trailer	1	Ironworker	Construction, Structural Steel Erection
Contact with Object				
	Compressed between ceiling pipes and equipment	1	Plumber, Apprentice	Services, Property Management
Falls				
	Fell from roof	1	Pipefitter	Construction, Special Trades
	Fell into underground vault	1	Laborer	Construction, Special Trades
	Fell while mountain climbing	1	Guide	Services, Guide Services
	Fell while mountain climbing	1	Volunteer Guide	Government, Federal
Fire & Explosion				
	Welding slag ignited abandoned fuel tank	1	Cutter	Trade, Salvage Yard
Violent Acts				
	Homicide, shot	1	Police	Government, Local
	Homicide, shot	3	Taxi Driver	Transportation, Local
	Homicide, shot	1	Journalist	Manufacturing, Newspapers
	At-work suicide	1	Packer	Services, Guide Services
	Bear mauling	1	Helper, Seismic Work	Mining, Oil & Gas Exploration

[1] Event is coded using the Bureau of Labor Statistics, Occupational Injury and Illness Classification Structure (OIICS).
[2] Industry is classified using the Standard Industrial Classifications Manual, 1987 Edition.

NR Not releasable as presented. Data obtained from public information sources such as newspapers, OSHA, USCG, and NTSB are released.

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

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Alaska Mass Layoffs

by Rachel Baker
Labor Economist

Statistics on business slowdowns

Mass Layoff Statistics (MLS) is a state-federal cooperative statistical program designed to identify, describe and track large job cutbacks. The MLS program is used in conjunction with the Workforce Investment Act, which was signed into law in 1998. The goal of the Workforce Investment Act is to increase employment, retention and earnings among program participants by increasing their occupational skills through educational and training programs. The MLS program supports this process by identifying workers involved in large layoffs. This allows training resources to be directed to workers in need of services.

To identify mass layoffs, the MLS program uses business establishment information, unemployment insurance (UI) claims data from the state benefit system, and information collected through employer interviews. If 50 or more initial UI claims filed during a five-week period specify a particular establishment as the claimants' last employer, that establishment is identified as having a potential mass layoff. Employers with potential mass layoff events are interviewed to determine if 50 or more workers were separated from the business for more than 30 days due to a layoff. If

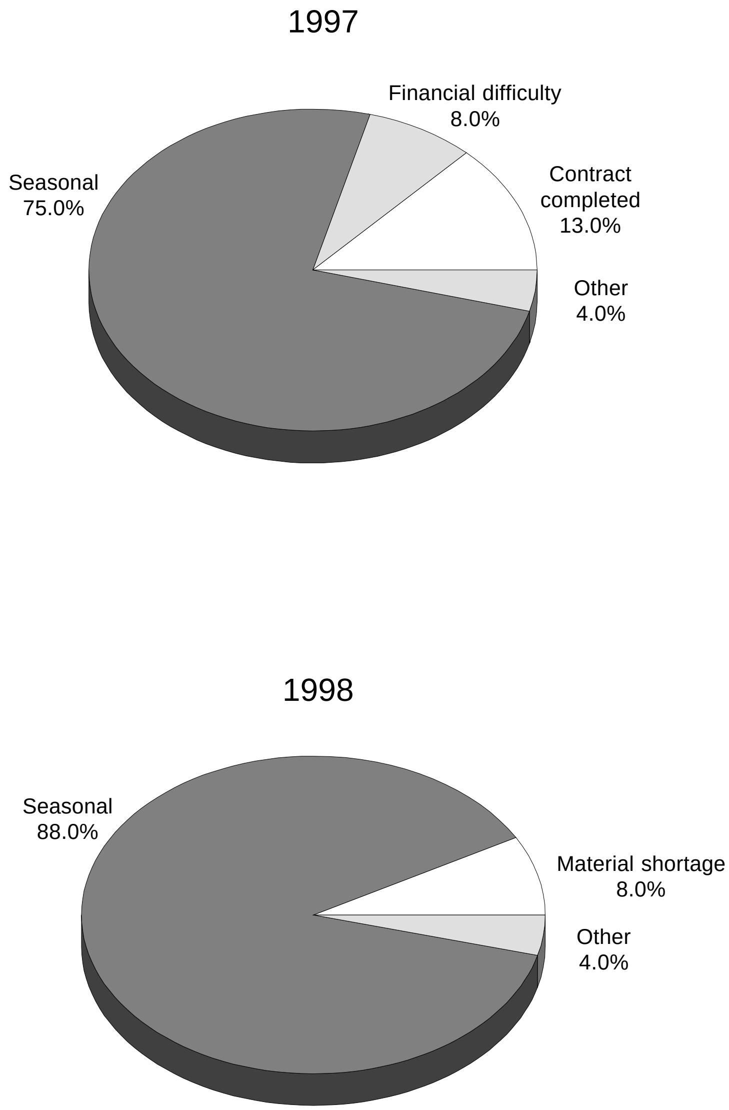
Alaska Mass Layoffs 1
By industry 1997-1998

	Layoff Events			Worker Separations		
	1997	1998	97-98 Change	1997	1998	97-98 Change
Total	24	24	0	6,078	9,515	3,437
Construction	3	2	-1	432	280	-152
Manufacturing	14	14	0	4,495	3,051	-1,444
Durable	3	3	0	874	549	-325
Nondurable[1]	11	11	0	3,621	2,502	-1,119
Transportation/Comm/Util	2	3	1	620	951	331
Retail Trade	2	0	-2	211	0	-211
Services[2]	1	3	2	165	4,749	4,584
Government	1	1	0	83	84	1
Other[3]	1	1	0	72	400	328

[1]Includes seafood processing establishments
[2]Includes elementary and secondary schools
[3]Category contains an event not listed by industry due to confidentiality concerns

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

2 Alaska Mass Layoffs
By reason



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

the employer meets this condition, more information is gathered, including:

· total number of workers laid off (separations)
· total employment prior to the layoff
· reason for layoff
· operating status of affected worksite
· expectation for recall of workers laid off

UI claims data are processed in the MLS program on a monthly basis to determine the total number of layoff events in Alaska. The data are compiled to report layoff events by industry and reason for layoff.

The MLS program is also useful for tracking individual workers that file for unemployment insurance benefits after losing their jobs in a mass layoff. The program identifies claimants that were involved in a mass layoff and tracks workers that continue to file UI claims until they find employment or exhaust their benefits. The program also tracks claimants in declining industries, which are industry sectors that are experiencing long term decreases in employment.

1998 Alaska MLS data

During 1997, there were 24 mass layoff events in Alaska, and in 1998, there were another 24 mass layoffs. The 1997 mass layoffs resulted in 6,078 worker separations, and the 1998 layoffs brought 9,515 worker separations. (See Exhibit 1.) In 1998, the number of separations was significantly higher, although the number of layoff events for both years was the same. This was primarily due to a seasonal layoff event for school district employees that qualified as a mass layoff event only in 1998.

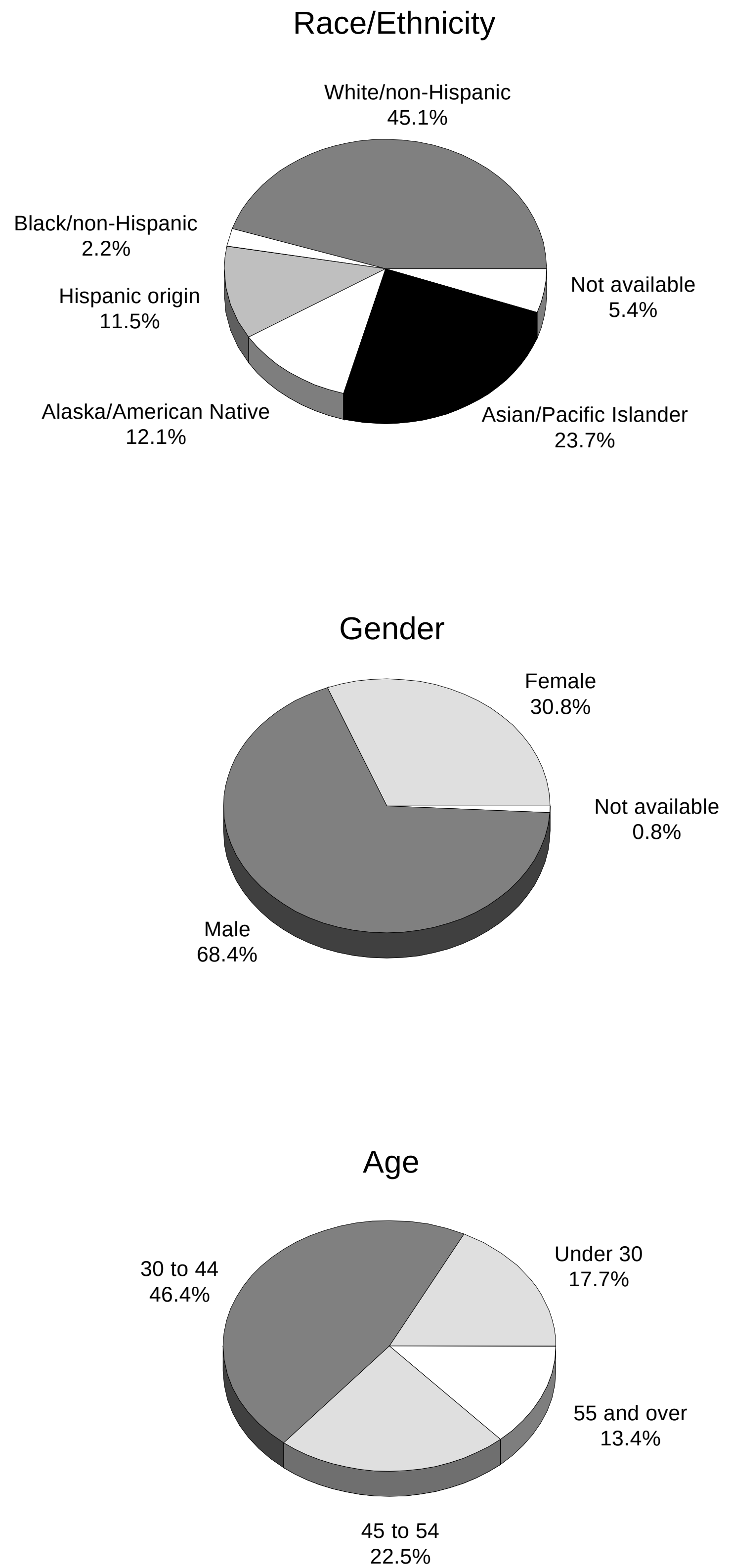
Most mass layoff events in 1998 were seasonal, and a significant portion of the employers expected to recall more than 50 percent of the laid-off employees within six months. (See Exhibit 2.) Almost 46 percent of the total number of mass layoffs were seasonal events within the seafood

Alaska Mass Layoff Statistics 3
Claimant characteristics, 1997

processing industry. Of the 11 layoff events in the seafood processing industry, all but one employer that was contacted for the MLS survey indicated that they would recall more than half of the laid-off employees within six months. Among employers in other industries reporting layoffs, 86 percent indicated that they would recall more than half of the displaced workers within six months. There were 44 workers during 1998 for whom there was no expectation of recall.

Demographic data were also compiled for claimants laid off in a mass layoff event, including race, gender and age. (See Exhibit 3.) The age data are particularly useful because training programs vary depending on the worker's age and time in the workforce.

There are other types of national and state data available from the MLS program. For more information contact the Alaska Department of Labor and Workforce Development, Research and Analysis Section.



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

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Alaska Employment Scene

by
Rachel Baker
Labor Economist

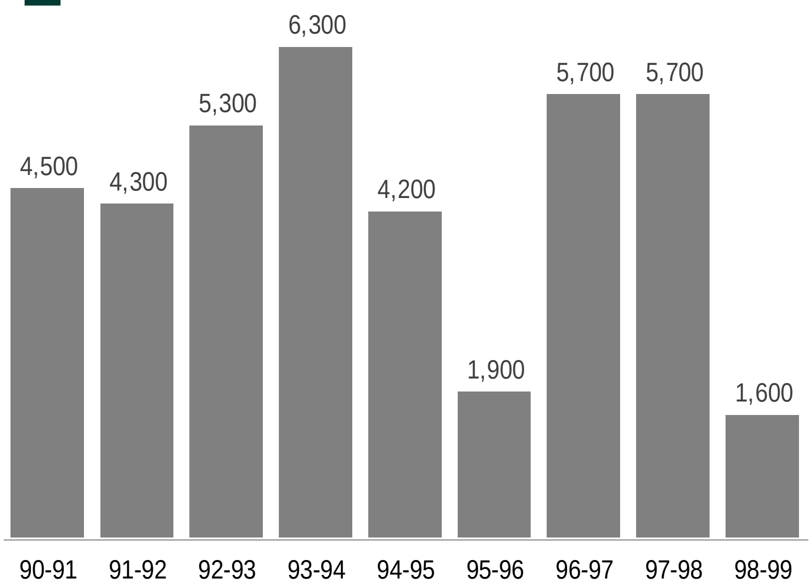
Growth is Slower at Midsummer Peak

Fishing and tourism strong in July, but oil is wet blanket

July is typically the peak month for Alaska's economy. This is the month tourism, fishing and construction shift into high gear. This July, the tourism and fishing seasons appeared strong, but statewide employment gains were dampened by continued job losses in the oil and gas sector. Alaska has gained 1,600 jobs over the year, but this growth was feeble in comparison to the significant job growth that took place in the last two years. (See Exhibits 1 and 3.)

1 Job Growth Slows in 1999

Increase in total employment from previous July



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

Oil and gas extraction employment decreased in July 1999, bringing the count to 1,600 jobs lost over the year. More losses are expected in this industry and in oil field services due to production declines and oil company mergers. Business services and engineering and management services have also been affected by oil industry cutbacks, and each sector has lost 100 jobs over the year.

Seasonal job gains in construction were concentrated in Anchorage, where publicly funded and private sector projects have pushed the industry 300 jobs ahead of year-ago numbers. Although seafood processing employment surged in July, the total job count lagged behind last year's employment due to decreased processing capacity in the Bristol Bay area. The services industry gained 1,500 jobs over the year, with most of the growth coming from health services, social services and hotel and lodging places. Retail trade also showed strong job growth in July as tourism-related businesses hit the busiest time of the year.

The July unemployment rate dropped to 5.1% as a result of increased activity in Alaska's seasonal industries. July's rate was three-tenths of a percent higher than last year's rate of 4.8%, but it is still the second lowest rate in Alaska in more than 20 years.

Tourism season is a mixed bag

July marks the height of the busy tourism season in Alaska, and overall employment counts depend on the health of the tourism industry. Although overall results of this year's visitor season will not be available until later this year, early indicators can give an idea of how the season is progressing. In July, visitor statistics varied among different regions of the state.

Juneau should see a 4.2% increase in the number of cruise ship passengers in 1999 according to the Juneau Convention and Visitors Bureau. Time and sales tax receipts will tell whether the increase in cruise ship visitors will translate into more business for companies that provide services to tourists.

After a slow start in the early part of the season, the number of independent travelers in Juneau appears to have increased in July and August this year to match 1998 numbers. The Juneau Convention and Visitors Bureau tracks independent travelers by examining room occupancy rates and surveying tour operators. Trends in Juneau's air passenger statistics suggested that after a slow start in the early part of the summer, independent traveler numbers could be increasing slightly over last year. In May and June of 1999, the number of passengers deplaning in Juneau was between two and four percent below 1998 numbers. In July, however, deplaning passengers surpassed last year's arrivals by more than eight percent.

The highway traveler count is another measure of independent traveler activity. Data from the Immigration and Naturalization Service show that the number of highway travelers entering Alaska from Canada in May and June was significantly larger than the 1998 count.

In Fairbanks, the tourism indicators were not positive for the early part of the summer season. Hotel and motel tax receipts were down slightly from 1998 for April, May and June of this year. The number of visitors at the Alaska Public Lands Information Center in Fairbanks was also down from 1998 for every month of this year through June.

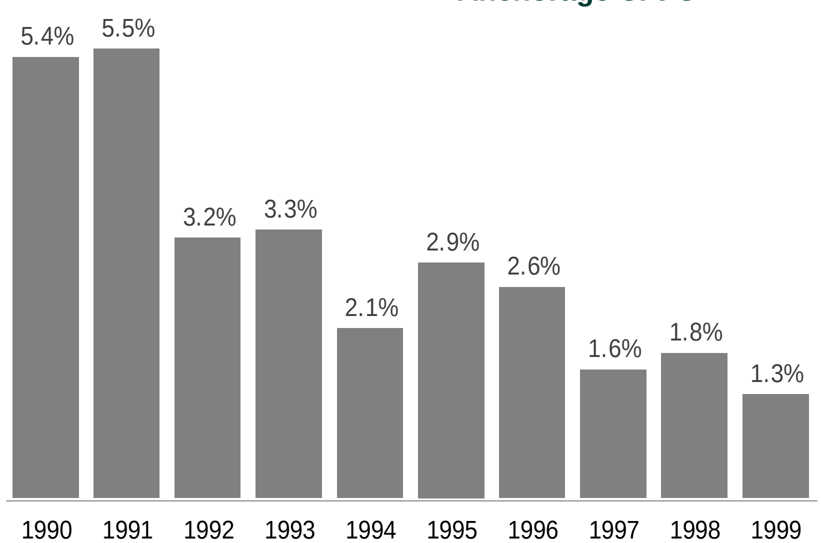
(continued on page 30)

Inflation Remains Low

Percent change from first half of previous year

Anchorage CPI-U

2



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

3 Nonagricultural Wage and Salary Employment
by Place of Work

Alaska

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	296,700	289,300	295,100	7,400	1,600
Goods-producing	47,600	40,400	49,100	7,200	-1,500
Service-producing	249,100	248,900	246,000	200	3,100
Mining	9,000	9,200	10,800	-200	-1,800
Oil & Gas Extraction	7,400	7,500	9,000	-100	-1,600
Construction	16,600	15,400	16,300	1,200	300
Manufacturing	22,000	15,800	22,000	6,200	0
Durable Goods	3,200	3,100	3,100	100	100
Lumber & Wood Products	1,900	1,800	1,900	100	0
Nondurable Goods	18,800	12,700	18,900	6,100	-100
Seafood Processing	16,000	10,000	16,200	6,000	-200
Transportation/Comm/Utilities	28,500	28,200	27,500	300	1,000
Trucking & Warehousing	3,200	3,100	3,100	100	100
Water Transportation	2,300	2,300	2,400	0	-100
Air Transportation	9,900	9,900	9,800	0	100
Communications	5,300	5,200	4,400	100	900
Electric, Gas & Sanitary Svcs.	2,700	2,600	2,600	100	100
Trade	62,200	61,400	61,700	800	500
Wholesale Trade	9,700	9,500	9,700	200	0
Retail Trade	52,500	51,900	52,000	600	500
Gen. Merchandise & Apparel	9,600	9,500	9,400	100	200
Food Stores	7,500	7,500	7,600	0	-100
Eating & Drinking Places	18,700	18,400	18,400	300	300
Finance/Insurance/Real Estate	13,300	13,200	13,100	100	200
Services & Misc.	75,300	74,000	73,800	1,300	1,500
Hotels & Lodging Places	9,400	8,900	9,200	500	200
Business Services	9,300	9,100	9,400	200	-100
Health Services	15,600	15,600	15,100	0	500
Legal Services	1,700	1,700	1,700	0	0
Social Services	7,700	7,700	7,300	0	400
Engineering & Mgmt. Svcs.	8,100	8,100	8,200	0	-100
Government	69,800	72,100	69,900	-2,300	-100
Federal	17,900	17,800	18,000	100	-100
State	20,600	20,700	20,100	-100	500
Local	31,300	33,600	31,800	-2,300	-500

Municipality of Anchorage

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	135,000	134,400	132,700	600	2,300
Goods-producing	13,300	12,700	13,200	600	100
Service-producing	121,700	121,700	119,500	0	2,200
Mining	2,300	2,400	2,700	-100	-400
Oil & Gas Extraction	2,100	2,200	2,500	-100	-400
Construction	8,700	8,100	8,300	600	400
Manufacturing	2,300	2,200	2,200	100	100
Transportation/Comm/Utilities	15,000	14,800	13,900	200	1,100
Air Transportation	6,300	6,200	6,100	100	200
Communications	3,400	3,400	2,600	0	800
Trade	32,700	32,500	32,300	200	400
Wholesale Trade	6,600	6,700	6,700	-100	-100
Retail Trade	26,100	25,800	25,600	300	500
Gen. Merchandise & Apparel	4,900	4,700	4,600	200	300
Food Stores	2,900	3,000	3,000	-100	-100
Eating & Drinking Places	9,600	9,500	9,300	100	300
Finance/Insurance/Real Estate	7,700	7,700	7,700	0	0
Services & Misc.	39,100	38,700	37,900	400	1,200
Hotels & Lodging Places	3,000	3,000	3,000	0	0
Business Services	6,700	6,500	6,700	200	0
Health Services	8,300	8,300	8,000	0	300
Legal Services	1,200	1,200	1,200	0	0
Social Services	3,600	3,600	3,400	0	200
Engineering & Mgmt. Svcs.	5,700	5,700	5,700	0	0
Government	27,200	28,000	27,700	-800	-500
Federal	10,200	10,200	10,300	0	-100
State	8,000	8,100	7,800	-100	200
Local	9,000	9,700	9,600	-700	-600

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

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

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

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

4 Hours and Earnings
for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 7/99	revised 6/99	7/98	preliminary 7/99	revised 6/99	7/98	preliminary 7/99	revised 6/99	7/98
Mining	$1,423.65	$1,262.79	$1,272.82	54.4	48.7	47.6	$26.17	$25.93	$26.74
Construction	1,314.59	1,255.72	1,168.65	47.0	46.2	44.2	27.97	27.18	26.44
Manufacturing	608.79	572.70	548.58	51.9	46.0	51.9	11.73	12.45	10.57
Seafood Processing	577.89	486.35	512.93	55.3	46.9	54.8	10.45	10.37	9.36
Transportation/Comm/Utilities	721.08	669.20	702.93	36.0	34.8	35.7	20.03	19.23	19.69
Trade	445.97	435.79	429.09	34.2	33.6	34.3	13.04	12.97	12.51
Wholesale Trade	667.02	660.10	671.40	37.6	38.2	38.3	17.74	17.28	17.53
Retail Trade	406.22	395.02	383.91	33.6	32.7	33.5	12.09	12.08	11.46
Finance/Insurance/Real Estate	579.24	573.99	526.24	36.0	36.1	35.2	16.09	15.90	14.95

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

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

5 Nonagricultural Wage and Salary Employment
by Place of Work

Fairbanks North Star Borough

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	34,500	34,050	33,750	450	750
Goods-producing	3,750	3,700	4,000	50	-250
Service-producing	30,750	30,350	29,750	400	1,000
Mining	800	850	1,000	-50	-200
Construction	2,350	2,200	2,350	150	0
Manufacturing	600	650	650	-50	-50
Transportation/Comm/Utilities	3,200	3,200	3,200	0	0
Trucking & Warehousing	650	700	700	-50	-50
Air Transportation	800	750	750	50	50
Communications	450	450	450	0	0
Trade	7,350	7,250	7,250	100	100
Wholesale Trade	950	950	900	0	50
Retail Trade	6,400	6,300	6,350	100	50
Gen. Merchandise & Apparel	1,250	1,250	1,250	0	0
Food Stores	800	750	750	50	50
Eating & Drinking Places	2,250	2,200	2,200	50	50
Finance/Insurance/Real Estate	1,200	1,200	1,100	0	100
Services & Misc.	9,100	8,800	8,950	300	150
Hotels & Lodging Places	1,300	1,250	1,250	50	50
Health Services	1,950	1,950	1,850	0	100
Government	9,900	9,900	9,250	0	650
Federal	3,350	3,300	3,500	50	-150
State	4,100	4,050	3,300	50	800
Local	2,450	2,550	2,450	-100	0

Southeast Region

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	39,250	37,500	39,850	1,750	-600
Goods-producing	6,850	5,250	7,050	1,600	-200
Service-producing	32,400	32,250	32,800	150	-400
Mining	350	350	350	0	0
Construction	1,850	1,750	1,900	100	-50
Manufacturing	4,650	3,150	4,800	1,500	-150
Durable Goods	1,500	1,500	1,550	0	-50
Lumber & Wood Products	1,300	1,300	1,350	0	-50
Nondurable Goods	3,150	1,650	3,250	1,500	-100
Seafood Processing	2,800	1,250	2,900	1,550	-100
Transportation/Comm/Utilities	3,550	3,500	3,400	50	150
Trade	7,400	7,300	7,600	100	-200
Wholesale Trade	700	650	700	50	0
Retail Trade	6,700	6,650	6,900	50	-200
Food Stores	1,350	1,350	1,450	0	-100
Finance/Insurance/Real Estate	1,500	1,450	1,700	50	-200
Services & Misc.	8,300	8,200	8,350	100	-50
Health Services	1,650	1,650	1,650	0	0
Government	11,650	11,800	11,750	-150	-100
Federal	1,950	1,950	2,000	0	-50
State	5,050	5,050	5,200	0	-150
Local	4,650	4,800	4,550	-150	100

Northern Region

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	14,850	14,800	16,150	50	-1,300
Goods-producing	4,800	4,750	5,900	50	-1,100
Service-producing	10,050	10,050	10,250	0	-200
Mining	4,250	4,200	5,250	50	-1,000
Oil & Gas Extraction	3,800	3,750	4,750	50	-950
Government	4,300	4,400	4,350	-100	-50
Federal	200	200	200	0	0
State	300	300	300	0	0
Local	3,800	3,900	3,850	-100	-50

Interior Region

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	41,600	41,250	40,750	350	850
Goods-producing	4,100	4,000	4,300	100	-200
Service-producing	37,500	37,250	36,450	250	1,050
Mining	1,000	1,000	1,200	0	-200
Construction	2,450	2,300	2,450	150	0
Manufacturing	650	700	650	-50	0
Transportation/Comm/Utilities	4,150	4,100	4,150	50	0
Trade	9,200	9,050	9,100	150	100
Finance/Insurance/Real Estate	1,300	1,300	1,200	0	100
Services & Misc.	10,750	10,400	10,550	350	200
Hotels & Lodging Places	1,950	1,900	1,950	50	0
Government	12,100	12,400	11,450	-300	650
Federal	4,050	4,050	4,200	0	-150
State	4,400	4,350	3,650	50	750
Local	3,650	4,000	3,600	-350	50

Anchorage/Mat-Su Region

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	147,950	147,850	145,250	100	2,700
Goods-producing	14,700	14,100	14,600	600	100
Service-producing	133,250	133,750	130,650	-500	2,600
Mining	2,350	2,450	2,750	-100	-400
Construction	9,900	9,250	9,500	650	400
Manufacturing	2,450	2,400	2,350	50	100
Transportation/Comm/Utilities	15,900	15,700	14,850	200	1,050
Trade	35,950	35,800	35,300	150	650
Finance/Insurance/Real Estate	8,300	8,300	8,150	0	150
Services & Misc.	43,000	42,650	41,650	350	1,350
Government	30,100	31,300	30,700	-1,200	-600
Federal	10,350	10,350	10,500	0	-150
State	8,800	8,900	8,650	-100	150
Local	10,950	12,050	11,550	-1,100	-600

Southwest Region

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	19,900	17,600	19,900	2,300	0
Goods-producing	6,950	4,750	7,000	2,200	-50
Service-producing	12,950	12,850	12,900	100	50
Seafood Processing	6,650	4,500	6,750	2,150	-100
Government	5,300	5,400	5,350	-100	-50
Federal	400	400	400	0	0
State	550	550	550	0	0
Local	4,350	4,450	4,400	-100	-50

Gulf Coast Region

	preliminary 7/99	revised 6/99	7/98	Changes from: 6/99	7/98
Total Nonag. Wage & Salary	32,500	30,400	32,950	2,100	-450
Goods-producing	9,950	7,650	10,100	2,300	-150
Service-producing	22,550	22,750	22,850	-200	-300
Mining	1,050	1,150	1,250	-100	-200
Oil & Gas Extraction	1,050	1,150	1,250	-100	-200
Construction	1,600	1,450	1,550	150	50
Manufacturing	7,300	5,050	7,300	2,250	0
Seafood Processing	6,250	4,000	6,300	2,250	-50
Transportation/Comm/Utilities	2,550	2,600	2,750	-50	-200
Trade	6,550	6,150	6,500	400	50
Wholesale Trade	850	700	850	150	0
Retail Trade	5,700	5,450	5,650	250	50
Eating & Drinking Places	2,150	1,950	2,150	200	0
Finance/Insurance/Real Estate	800	800	800	0	0
Services & Misc.	6,500	6,400	6,450	100	50
Health Services	1,100	1,100	1,100	0	0
Government	6,150	6,800	6,350	-650	-200
Federal	800	800	800	0	0
State	1,500	1,550	1,700	-50	-200
Local	3,850	4,450	3,850	-600	0

6 Unemployment Rates
by Region and Census Area

Not Seasonally Adjusted	Percent Unemployed preliminary 7/99	revised 6/99	7/98
United States	**4.5%**	**4.5%**	**4.7%**
Alaska Statewide	**5.1**	**6.0**	**4.8**
Anch/Mat-Su Region	4.4	5.0	4.1
Municipality of Anchorage	3.9	4.4	3.7
Mat-Su Borough	6.9	7.8	6.0
Gulf Coast Region	6.4	8.0	5.7
Kenai Peninsula Borough	7.7	9.1	6.7
Kodiak Island Borough	4.0	4.8	3.4
Valdez-Cordova	4.5	7.4	4.7
Interior Region	4.9	5.9	4.9
Denali Borough	3.2	2.9	3.0
Fairbanks North Star Borough	4.6	5.6	4.5
Southeast Fairbanks	6.8	5.8	6.1
Yukon-Koyukuk	11.3	14.6	11.6
Northern Region	11.2	12.3	8.5
Nome	12.6	13.8	10.0
North Slope Borough	7.8	9.0	5.5
Northwest Arctic Borough	14.2	15.0	10.9
Southeast Region	4.7	6.0	5.0
Haines Borough	4.8	7.9	5.5
Juneau Borough	4.2	4.7	4.1
Ketchikan Gateway Borough	4.9	5.9	5.1
Prince of Wales-Outer Ketchikan	7.9	12.5	10.9
Sitka Borough	4.0	5.4	3.9
Skagway-Hoonah-Angoon	4.6	5.5	4.8
Wrangell-Petersburg	4.5	6.7	4.3
Yakutat Borough	6.1	10.6	12.0
Southwest Region	7.5	9.8	7.1
Aleutians East Borough	2.8	2.4	1.8
Aleutians West	7.6	6.8	5.9
Bethel	8.1	11.1	7.6
Bristol Bay Borough	2.1	4.5	1.9
Dillingham	4.7	9.3	6.0
Lake & Peninsula Borough	5.7	8.7	5.6
Wade Hampton	14.0	17.2	13.5
Seasonally Adjusted			
United States	4.3	4.3	4.5
Alaska Statewide	6.0	6.2	5.7

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

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

(continued from page 27)

Information from the Kenai Peninsula was mixed. In Seward, cruise ship passenger numbers increased from last year. From May through the first part of August, passenger counts were up 7.8% for Princess Cruises, the largest cruise ship operator in Seward. Statistics gathered by the Kenai Visitors and Cultural Center point to less tourist traffic this year, however. The Visitors Center recorded fewer visitors in May and June than in 1998. July numbers will be the true test of whether the 1999 tourism season is slower this year on the Kenai Peninsula.

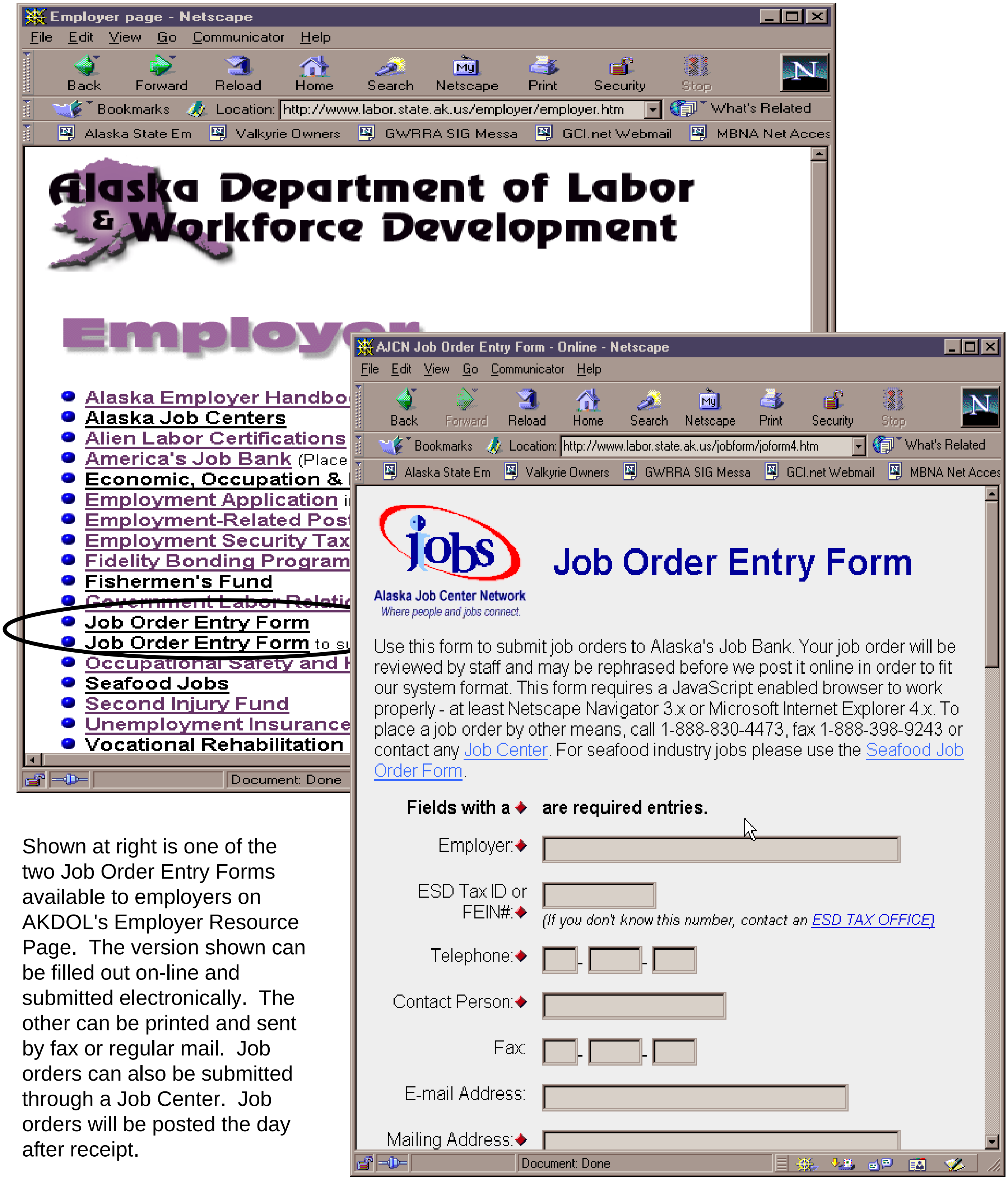
Inflation remains low in the first half of 1999

The Bureau of Labor Statistics (BLS) recently released the Anchorage Consumer Price Index for All Urban Consumers (CPI-U) for the first six months of 1999. The index measures changes in the cost of living for common consumer expenditure categories. BLS reported that consumer prices in Anchorage increased 1.3% from last June. This is one of the smallest cost-of-living increases this decade (see Exhibit 2) and is less than the 1.9% increase in the national CPI over the same time period.

Rising costs for other goods and services, housing and recreation drove the increase in the Anchorage CPI. The other goods and services component jumped 10.4% over the year. The increase was driven by higher tobacco and smoking product costs and was the largest among all CPI index components. The index for medical costs increased 0.5% over the year. This was a smaller increase than in previous years, when medical costs rose rather sharply. For example, the medical cost index increased 3.7% from 1997 to 1998 and grew 8.5% the year before. Prices for gasoline and transportation fell over the index period and mitigated the increase in the Anchorage CPI.

Anchorage is the only location in Alaska for which a CPI index is calculated. Therefore, most Alaskans use the Anchorage CPI as an approximate measure of cost-of-living changes throughout the state. CPI data are often used to adjust wages, rents and other payments for the effects of inflation.

Employer Resource Page



Shown at right is one of the two Job Order Entry Forms available to employers on AKDOL's Employer Resource Page. The version shown can be filled out on-line and submitted electronically. The other can be printed and sent by fax or regular mail. Job orders can also be submitted through a Job Center. Job orders will be posted the day after receipt.