WHEN THE NORTH SLOPE IS HOME

ALSO IN THIS ISSUE
How industries fared in the ’80s crash
After Kmart left Alaska
WHEN THE NORTH SLOPE IS HOME
The people, history, and economy outside of Prudhoe Bay
By CONOR BELL
PAGE 5

HOW INDUSTRIES FARED
DURING the ’80s CRASH
Patterns may help shed some light on today’s economic challenges
By CAROLINE SCHULTZ
PAGE 10

AFTER KMART LEFT ALASKA
How laid-off workers fared in the years that followed
By CONOR BELL
PAGE 15

THE MONTH IN NUMBERS
PAGE 18

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September 1, 2016

Dear Reader,

For nearly 60 years, *Alaska Economic Trends* has been published monthly and sent to Alaskans interested in the state’s economy. In light of the state’s fiscal situation, the Department of Labor and Workforce Development is considering eliminating the print version of *Trends* and making it an online-only publication.

Before taking that step, the department would like your feedback — whether you are a print subscriber or only read *Trends* online. Please email us at trends@alaska.gov or click on “**Should we continue to print Trends?**” to submit your comments. You can also call our editor, Sara Whitney, at 465-6561 to weigh in.

Whether or not *Trends* continues to be printed and mailed, it will be published and made available electronically. It is more important than ever that we publish informative, objective articles about the state’s economy, labor market, population, and housing market to help inform the decisions Alaskans make as we navigate this challenging period.

Cordially,

Heidi Drygas, Commissioner
Alaska Department of Labor and Workforce Development
When the North Slope is home

The people, history, and economy outside of Prudhoe Bay

By CONOR BELL

Hundreds of millions of years ago, shale, sandstone, and other organic matter was deposited on the northern coast of Alaska, washing in with the tides or sliding off the mountain ranges. These substances lay dormant, compressing into oil over time.

It was the discovery of this massive oil deposit at Prudhoe Bay in 1968 that brought the North Slope’s people and geology to the world stage and changed the course of Alaska’s future, ushering in the construction of the Trans-Alaska Oil Pipeline and bringing in a flood of outside workers and interests.

But there’s more to the history and economy of the North Slope, which is home to a people whose ancestors have over thousands of years developed a culture adapted to one of the world’s harshest inhabited climates, and who live largely outside oil’s sphere.

Vast but sparsely inhabited

The North Slope Borough encompasses 95,000 square miles, beginning along Alaska’s northern coast and stretching inland. It’s the nation’s largest organized county-equivalent by area at almost five times the size of San Bernadino County, the largest outside of Alaska.

In 2015, the borough had just one resident for every 13 square miles. Barrow, its hub and the northernmost city in the United States, has over half the
area's population of 7,305. (See Exhibit 1.)

The other communities are more removed from oil-related activity and rely largely on subsistence. Roads are scarce and expensive to develop and maintain due to permafrost, and locals use snowmachines and four-wheelers for transportation. But while North Slope village life is remote and steeped in traditional practices, all of the smaller communities have modern amenities, including electricity and public water and sewer.

Most residents have strong historical ties to the region. About 70 percent are Alaska Native, mainly Inupiat, with the smaller villages often over 90 percent Native.

Historically, few people have relocated to the area, so most population growth has come from high birth rates (see Exhibit 2), which are common in rural Alaska. As a result, the population is younger than the state as a whole, at a 2015 median of 29 years in Barrow versus 35 statewide.

A storied past

Inupiat ancestors migrated from Siberia around 20,000 years ago, crossing the Bering land bridge in search of resources. The migration was gradual, and the original inhabitants may have lingered between continents for thousands of years.

Originally, they lived mostly off caribou and seal, but around 500 C.E. the coastal populations began hunting whales — another resource that would transform the area in the coming centuries. Early crews would shoot a whale with a harpoon attached to airbags, lance off its fluke, retreat, and track the giant mammal through its death throes: a dangerous process that carried prestige as crews distributed their catch throughout their communities.

Although Northern Inupiat were one of the last Alaska Native groups to come into contact with Europeans, they had western tools and products well before any ships arrived. The earliest voyagers to the Arctic were...
shocked when villagers asked to trade for tobacco and iron.

Slope communities had obtained goods from outlying villages through a network of trade fairs throughout Alaska, where European products were available via Siberians who had arrived by boat. This allowed villages to benefit from each other’s differing skills and natural resource access. The fairs also created temporary truces between tribes that had otherwise antagonistic relationships, though trading disputes occasionally prompted violence.

European whalers transform the economy

The first contact with Europeans came when British ships attempted to cross the Northwest Passage. When explorers reached the northern Alaska coast in the mid-19th century, an estimated 3,500 Inupiats lived along the North Slope. Soon after, European whalers began trading with the Inupiats in Ukpiaġvik, which is now Barrow.

The Europeans introduced cash, paying thousands of dollars for whale baleen and oil. Money made the exchange of goods more flexible, both with European traders and other villagers. Many subsistence whaling crews converted to for-profit enterprises, and locals worked as deckhands on European ships.

By the early 20th century, whale populations had been depleted. Whaling ships stopped arriving, and residents returned to subsistence, albeit with fewer natural resources.

European intervention on the North Slope was less authoritarian than Russian settlements further south. However, the explorers brought new diseases that devastated the villages. In 1900, Barrow had an influenza outbreak that killed more than 200 people. Two years later, a measles epidemic killed 100. Europeans also introduced alcohol to the North Slope, which had lasting health and social consequences.

Oil changes everything

After commercial whaling dwindled, the North Slope returned to relative obscurity until the Cold War, when the Air Force built a White Alice communication site near Point Hope as part of a statewide radar network designed to detect Soviet threats. Conflict between Alaska Natives and the federal government over land and resources began to ramp up.

In 1960, the U.S. Atomic Energy Commission proposed

Most Work in Government

NORTH SLOPE BOROUGH RESIDENTS, 2014

<table>
<thead>
<tr>
<th>Sector</th>
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<td>Retail Trade</td>
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*Barrow has a small private college, Iliqavigik College, that has around 250 students. Iliqavigik is one of the city’s major employers. Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
importance of subsistence

example village: point lay, 2012, * in lbs

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*Most recent data for North Slope
Source: Alaska Department of Fish and Game

Clearing out a harbor near Point Hope using nuclear bombs. Residents along the northern coast successfully fought the project, and in the process formed Inupiat Paitoit, the first Inupiat political organization.

While oil’s presence had been noticed around the time of the Northwest Passage exploration, the extent of the opportunity wasn’t widely apparent until 1968, when the oil company ARCO found a giant deposit in Prudhoe Bay.

The stakes were suddenly much higher. Realizing that transporting oil by road, air, or sea was impractical, three oil companies entered a joint venture to construct a pipeline from Prudhoe Bay to Valdez, Alaska held a land lease sale in 1969, bringing in $900 million.

The planned pipeline route crossed tribal lands, granting Native groups greater bargaining power and prompting oil companies to help lobby for Native settlements. The Alaska Native Claims Settlement Act of 1971 distributed $1 billion and 40 million acres of land to 12 regional corporations. A 13th corporation, made up of Alaska Natives living outside the state, received

money but no land.

North Slope Inupiats created the Arctic Slope Regional Corporation, or ASRC, which became heavily involved in leasing land to oil companies. Today, ASRC continues to focus on energy as well as federal contracting, generating $2.6 billion in revenue during 2014. Its annual average dividend to shareholders hit a high of $10,000 in 2013, but has fallen to an average of $5,000 because the corporation is heavily invested in oil support industries and has been hit by lower prices and dwindling production.

Two years after creating ASRC, residents formed the North Slope Borough, which granted residents more political power and self-determination as well as the ability to levy property taxes on oil companies.

Pipeline construction was slow to ramp up because of the long permitting process, but in 1975, North Slope employment tripled.

While some residents feel they weren’t sufficiently compensated for activity on land that was historically theirs, others oppose development altogether.

Offshore drilling and the prospect of drilling in the Arctic National Wildlife Refuge, located east of Prudhoe Bay, have stoked heated debates in Washington for years over tradeoffs between conservation and economics.

most locals not part of oil industry

While the development of Prudhoe Bay proved to be

The challenge of counting workers at Prudhoe Bay

Though the majority of people on the North Slope at any given time are in Prudhoe Bay, almost no one lives there year-round, and they aren’t considered residents. Workers fly in to complete their shifts, and there are no neighborhoods or apartment complexes.

That makes counting permanent residents a challenge. The U.S. Census relies on self-reporting, and many workers staying in group quarters at Prudhoe Bay reported it was their “usual residence” in 2010, though almost none did in the previous census. As a result, Prudhoe Bay, which the census gave a population of 5 in 2000, had 2,174 reported residents in 2010.

While Slope employment grew considerably during the period, there is no evidence of workers taking up permanent residence. That increase should therefore be viewed as a statistical anomaly rather than true population growth.
the biggest economic event in Alaska’s history, oil extraction occurs far away from most residents, and few participate directly.

Only 14 percent of people who worked in the borough during 2014 were North Slope residents. More than 20,000 people commuted to the North Slope in 2014 to work in jobs directly and indirectly related to oil and gas. Of those, 40 percent came from outside of Alaska, and most of the remaining 60 percent were from Anchorage or the Matanuska-Susitna Borough.

Oil industry jobs tend to be high-paying. Those from outside the borough who worked all four quarters in 2014 earned an average of $108,600. Companies pay higher wages to entice workers to the harsh conditions and isolation of Prudhoe Bay. While engineers and oil field managers are some of the highest earners in the state, even service workers such as cooks and janitors make much more on the North Slope than they would in Anchorage or Fairbanks.

However, residents who did work in Prudhoe Bay made much less on average than those commuting in from elsewhere — residents tended to work fewer quarters and were also more likely to be in the lower-paying occupations.

Fifty-nine percent of the borough’s working residents were in local government in 2014 (see Exhibit 3), and there is approximately one government job for every four year-round residents. Over 80 percent of these jobs are in Barrow, the borough seat.

Barrow also has a small private college, Ilisagvik, and a visitor industry supported by tourists as well as scientists researching the Arctic. The flow of travelers allows for more jobs in restaurants, hotels, and stores than similar-sized communities would otherwise be able to sustain.

The value of subsistence

In addition to ASRC shares, residents benefit from oil through higher tax revenues, allowing for better public facilities and more local government employment. But per capita personal income is below both state and national levels, and living on the North Slope isn’t cheap. High transportation costs and a limited customer base make goods significantly more expensive. For example, in January 2016, gas was $6.50 a gallon in Barrow and $8.85 in Anaktuvuk Pass.

Continued on page 14
How Industries Fared during the ’80s Crash

Patterns may shed some light on today’s economic challenges

By CAROLINE SCHULTZ

With Alaska’s economy facing its first serious recession in nearly 30 years, there are many unknowns about how industries and individuals will fare and how long the discomfort will last. Economic pain is expected in the short-term, but the extent of job losses across different parts of the economy will vary in severity and duration.

It is too early to tell the degree to which our current downturn could mimic previous recessions, but an in-depth look at Alaska’s economy as it endured the worst of the mid-1980s can provide some perspective on what could come in the next few years.

The 1980s recession, the harshest in Alaska’s modern history, was the result of a collapse in real estate markets and oil prices, and the subsequent government austerity measures brought on by drastically diminished oil revenues.

The similarities and differences between today’s economy and the early 1980s were covered extensively in the September 2015 issue of Alaska Economic Trends. That article described how the fallout from the current economic malady will differ from the ’80s crash because of demographic changes and relative stability in the real estate market, even though Alaska remains similarly dependent on oil revenue to fund state and local government.

In this article, we look at the timing and duration of job losses various industries sustained in the 1980s.

This is part 2 of a three-part series on the 1980s recession. Part 1, which compares the economy in the years leading up to the 1980s crash to the first half of this decade, is available in the September 2015 issue.

Overall loss was fast and deep

After five years of ebullient job growth, the crash came hard. In September of 1985, total employment was up 7,700 jobs from the previous year, equating to 3.2 percent growth — mild compared to the nearly double-digit growth of the first few years of the 1980s.

Four months later, the trend turned negative, and within a year, jobs were disappearing at their quickest pace. September of 1986 was the most dramatic month of loss during the entire recession, with 18,500 fewer jobs than the previous year, which was...
The Pattern of Overall Loss and Recovery

EMPLOYMENT CHANGE FROM SAME MONTH OF PRIOR YEAR, 1984 to 1989

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

a 7.5 percent decline.

Total employment fell by an average of 10,000 jobs in 1986 and another 10,600 in 1987, which was a loss of almost one in 10 jobs between 1985 and 1987. But by 1988, employers were tepidly adding jobs, and by 1990, employment levels had more than regained their lost ground.

These top-line numbers only tell part of the story. Some sectors of the economy suffered far worse and much longer, and others survived the recession relatively unscathed.

Construction was a harbinger, and it was hit hardest

The construction industry was the first major sector to show signs of weakness, and job losses began as early as summer of 1984. Alaska’s real estate market was too hot to handle in the early 1980s, which led to risky speculation and overbuilding.

The early 1980s residential and commercial construction sectors in Alaska bear a stronger resemblance to the Sunbelt in the mid 2000s (at least before the national housing market collapsed, and of course, with fewer palm trees) than they do to Alaska’s current construction climate.

Construction employers shed 400 jobs between 1983 and 1984, followed by 1,800 more between 1984 and 1985. The industry was expected to slow as building caught up and eventually surpassed demand, but the losses in the subsequent years were shocking.


The magnitude and duration of losses in the construction industry in the 1980s were unrivaled. Thirty years later, construction still hasn’t regained its early-1980s employment levels.

Mining was surprisingly resilient

The way we count jobs and categorize industries has changed since the 1980s recession, which makes certain comparisons more complicated. Some major industry groups have been rearranged, and we didn’t have some of the detail that we do now.

For example, we didn’t have an employment series specifically for the oil and gas industry, but like today, oil jobs were included under the umbrella of mining. Hard rock mining was a much smaller part of the economy in the 1980s, and most of our now-mature mines were still in early development stages, so oil and gas jobs made up an even larger share of the mining sector than they do now.

Oil prices declined throughout the early 1980s after peaking in the late 1970s as international turmoil came to a head, but prices were still at historically high levels until early 1986, when the price per barrel...
plummeted to close to $20 in today’s dollars.

Unlike construction, the mining industry responded quickly and began to shed jobs by April 1986. Employment fell for 13 consecutive months, but because losses were spread between two calendar years, average annual employment was only slightly down in both 1986 and 1987. Because of this, monthly data do a better job demonstrating how quickly employers cut jobs.

Mining jobs were up more than 10 percent from the previous year in January 1986, but by May the trend reversed, and employment was down over 10 percent. Mining losses peaked in February of 1987, with 2,000 fewer jobs than the previous year — a loss of 20 percent.

The mining industry didn’t languish. Employment growth resumed in the summer of 1987, partially fueled by developments in the Greens Creek and Red Dog mines. By 1988, mining job growth was back in the double digits, and the sector was larger than ever.

**Manufacturing was a bright spot in the gloom**

Jobs in manufacturing survived the 1980s recession better than any other private industry, and for good reason. Alaska’s manufacturing sector was dominated then by the processing of two natural resources, seafood and timber, neither of which were tied to the state’s weakest sectors of oil and real estate.

Commercial fishing management policies and practices differed significantly from today’s, especially for groundfish and shellfish. Seafood prices and production swung wildly through the 1970s and ’80s, and employment trends in fish harvesting and processing were volatile.

Seafood processing employment was bumpy through the 1980s, but job growth remained generally positive through the worst of the recession, with a few intermittent months of declines. About half of all manufacturing jobs were related to seafood processing, and the relative calm of the fishing industry in the mid-to-late 1980s was a source of employment stability in otherwise stormy seas.

Lumber and paper products manufacturing made up about one-fifth of the sector’s jobs during the timber industry’s heydays, and after suffering job losses through the early 1980s as a result of low commodity prices and reduced demand in Lower 48 and international markets, industry job growth rebounded during Alaska’s recession.

The state added an average of 300 and 400 manufacturing jobs in 1986 and 1987, respectively, and while the numbers are small, that growth equated to 13...
and 16 percent. These gains were especially significant in the small Southeast communities where most wood product manufacturing took place, such as the pulp mills in Ketchikan and Sitka and the lumber mills in Wrangell and on Prince of Wales Island.

**Service-sector employers suffered**

One of the biggest changes to industry classification between the 1980s and today is how we look at employers that provide services rather than produce goods, so the way these employers are grouped may be unfamiliar when making comparisons.

The finance, insurance, and real estate industry was the hardest hit in the service sector. The breakdown of Alaska’s real estate market and the national savings and loan crisis resulted in unprecedented tumult in the financial services industry.

There hadn’t been a single bank failure in Alaska since the Great Depression, but during the ‘80s recession and aftermath, eight banks failed — nearly half of all banks in the state. Alaska had the highest rate of bank failure in the 1980s and early 1990s, followed by other energy-rich states such as Wyoming, Oklahoma, Louisiana, and Texas, though their failure rates were closer to 20 percent.


**Trade losses were relatively small**

The trade sector encompassed wholesale and retail trade as well as restaurants and bars. It weathered fairly substantial losses for two years, but started adding jobs again in 1988 and surpassed pre-recession levels by 1990. Employment fell by 2,100 jobs in 1986 and 2,500 jobs in 1987, amounting to 5 percent and 6 percent, respectively.

Retail is the largest component of the trade sector, and it fell 4 percent and 5 percent in 1986 and 1987. Eating and drinking places were a little slower to respond, declining 2 percent in 1986 and then 6 percent the next year. Wholesale employers made up the smallest share of trade, but were the hardest hit, shedding 7 percent of jobs in 1986 and 9 percent in 1987.

**Transportation, communications and utilities losses spread out**

The transportation, communication, and utilities sector also shrank during the recession, but losses were less severe and spread out over a longer period.

Tied to the construction decline, this sector’s losses
began in December of 1984 and continued for 46 additional months. Between 1984 and 1988, the sector lost an average of 1,800 jobs, or 9 percent.

Other private industries weren’t hit so hard

The largest and least coherent service-providing sector at the time was called services and miscellaneous, and it comprised accommodations, professional and business services, education and health services, and “local services” — an eclectic group made up of providers like mechanics, hairdressers, and dog groomers.

This hodgepodge of employers wasn’t hit as hard, largely because it was propped up by a relatively stable health care industry. Losses began in April of 1986 and continued for just 18 months.

Like the mining industry, losses were spread across two calendar years, which understates the impacts when looking at average annual employment losses; they amounted to 3 percent in 1986 and 1987.

Losses peaked in December 1986 with an 8 percent decline from the prior December. These losses were driven mostly by oil-related employers such as engineering and geophysical service companies.

Government was buoyed by federal agency growth

The sudden loss of oil revenues in the 1980s, which like today funded the bulk of Alaska’s discretionary state government spending, sent state and local government budgets reeling. Unlike today, though, the state hadn’t amassed savings accounts to weather the storm, and state capital and operating budgets were slashed.

State government employment started to fall in August of 1986 and fell through January of 1988. Average losses from 1985 to 1986 were small at just over 1 percent, but by 1987 average annual employment was down 7 percent.

Local government job losses were less severe, at less than 1 percent in 1986 and 3 percent in 1987, but lasted for 23 months.

Federal civilian employment had been on a slow downward path through the first half of the 1980s, but this trend reversed in 1986, providing some respite during the recession. The prior decline was mostly from federal agencies transferring services to state and private control in the early 1980s, and by the time Alaska’s recession hit, the transfers were complete and federal agencies resumed growth at a normal pace.

Active duty military personnel levels also grew through the recession, providing another small buffer against otherwise poor economic conditions.

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NORTH SLOPE

Continued from page 9

Personal income doesn’t account for subsistence, which is significant culturally and economically. The Alaska Department of Fish and Game surveys villages throughout Alaska to estimate subsistence, although a village can go decades without updated data. Point Lay is the most recent subject on the North Slope, surveyed in 2012. Its 211 residents harvested almost 150,000 pounds of plants and animals (see Exhibit 4), which came out to almost two pounds per person per day.

All of the communities rely heavily on whales, seals, and walruses, with the exception of Anaktuvuk Pass. Anaktuvuk Pass is the only inland community, located 150 miles from the ocean. While harvesting caribou is common in other villages, it provides nearly 80 percent of the subsistence poundage in Anaktuvuk Pass.

Conor Bell is an economist in Juneau. Reach him at (907) 465-6037 or conor.bell@alaska.gov.
After Kmart Left Alaska

How laid-off workers fared in the years that followed

By CONOR BELL

Walmart closed its Juneau store earlier this year, but that wasn’t the first time a large variety store chain shut its doors in Alaska. The state faced a much bigger setback in March 2003, when Kmart closed all of its Alaska stores at once, laying off about 1,000 employees.

Kmart closed at an otherwise robust time for Alaska’s economy. Job growth was strong in 2003, and despite that massive loss, Alaska still managed a net gain in retail jobs that year.

While we don’t yet know how many former Walmart employees will leave the state or find comparable work closer to home, a study of what happened to Kmart employees in the years after their layoffs shows how that type of closure can affect workers and the economy overall.

This study, which compares former Kmart employees to Alaska retail workers as a whole, showed that laid-off workers left the state at a slightly higher rate, were less likely to be working a year later, and tended to earn less after finding another job. However, the higher-paid Kmart employees, such as management, were more likely to find new employment and earn similar wages.

Finding new jobs that next year

In 2003, the average wage for a Kmart employee for the first quarter was $5,028, including wages from any other jobs. And nearly a third of the Kmart workers did in fact have other jobs.

Many who were laid off hadn’t returned to work a year later. Only 62 percent of former Kmart employees held a job in first quarter 2004, a year after the layoff was announced. (See Exhibit 1.) For comparison, almost 80 percent of all retail industry workers who worked in the first quarter of 2003 were also working in the first quarter of 2004.

Former Kmart employees who held a second job were just as likely as other retail workers to continue working, likely because they were able to keep their other job. Those without second jobs were much less likely to find new employment, with only 54 percent working a year later.

The higher-earning Kmart workers were more likely to have found a new job the next year. Seventy-two percent of workers who had earned more than $6,000 per quarter at Kmart were working again in early 2004.

Two likely reasons are that skilled workers are more employable and that lower-paid, often part-time employees are less attached to the workforce. Most people working part-time do so for noneconomic reasons, such as school, child care difficulties, or other personal obligations, commitments that may make them less likely to seek new work.

Most who found work earned less

Kmart workers who did find a new job took a signifi-
Fewer Found New Jobs, More Left

LAID-OFF KMART WORKERS VS. ALL RETAIL, JOB STATUS IN 2004

Kmart

- Left Alaska**: 15.8%
- Working*: 61.9%
- Other: 22.3%

All Retail

- Left Alaska**: 13.0%
- Working*: 77.5%
- Other: 9.5%

*This compares those who recorded wages in the first quarter of 2003 to those who also recorded wages in the first quarter of 2004.
**Residency was determined by whether they applied for a Permanent Fund Dividend in 2004.

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

Significant wage hit, earning a median of 10 percent less the following year. (See Exhibit 2.) Retail workers who were still working in first quarter 2004 made 1 percent more.

Laid-off workers between 30 and 50 years old, considered mid-career, were slightly more likely to find new jobs than older and younger employees. But while less likely to return to work, those under 30 who found new jobs earned 1 percent more than they had the year before — likely because young people haven’t yet reached their peak earning potential. The mid-career workers earned 14 percent less the following year, and those over 50 made 17 percent less.

Of the laid-off workers who found jobs, half returned to working in retail, and the remainder were scattered across other, mostly service-providing industries. Workers who entered a different industry tended to take a smaller hit to their earnings, which may be due to people with transferrable skills having greater potential for recovery.

Almost half collected unemployment benefits

As expected, laid-off Kmart workers were much more likely to collect unemployment insurance benefits. Forty-five percent collected benefits at some point in 2003, versus just 12 percent of all retail employees.

The Kmart workers received an average of $2,724 in unemployment insurance benefits in 2003, with weekly benefits averaging $161. Close to half of claimants had at least one dependent.

The group spent an average of 15 weeks on unemployment, and 38 percent used the full duration of their benefits, which varies according to how long a person had worked but normally maxes out at 26 weeks. Overall, the laid-off workers collected $1.3 million in benefits during 2003.

Those who left Alaska were less likely to collect unemployment benefits, even though leaving the state doesn’t affect eligibility as long as that person is still seeking work.

About the data

We followed workers by matching their Social Security Numbers with employment records. Because federal government employees and the self-employed aren’t included in these employment records, they weren’t part of this analysis.

We counted as employed all workers who recorded wages in a given quarter, including those who were part-time or only worked part of that quarter.
The majority stayed in Alaska

Former Kmart employees left Alaska at a slightly higher rate than all retail workers, but the vast majority remained in the state — 84 percent were still residents the following year. For comparison, 87 percent of all retail workers who held a job in first quarter 2003 remained in Alaska. However, Kmart employees who had earned higher wages, were more likely to leave the state.

Laid-off workers faced long term setbacks

In the longer term, former Kmart workers continued to lag behind others who had worked in retail in 2003. Ten years later, those still in Alaska were 3 percent less likely to hold a job than the reference group.

Those who were working had a median wage increase of 6 percent after five years and 14 percent after 10 years, when adjusted for inflation. For comparison, retail workers’ earnings grew 11 percent in five years and 22 percent in 10 years.

Thirty-five percent of former Kmart employees were still working in retail 10 years later, 10 percentage points lower than the reference group. Workers in both groups who remained in retail had slightly reduced earnings five and 10 years later.

Earnings grew much more for the laid-off workers under 30 as they matured in their careers, at a median increase of 45 percent after five years and 65 percent in 10 years. But they too were outpaced by their general retail peers from 2003, who saw even greater pay gains.

Conor Bell is an economist in Juneau. Reach him at (907) 465-6037 or conor.bell@alaska.gov.

Note: All values are adjusted for inflation using the national Consumer Price Index.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
The Month in Numbers

### Unemployment Rates

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### How Alaska Ranks

- **Unemployment Rate**
  - 1st: S. Dakota (2.8%)
  - 50th: N. Dakota (6.7%)

- **GDP Growth**
  - 1st: N. Hampshire (4.1%)
  - 50th: N. Dakota (-7.0%)

- **GDP Growth, Construction**
  - 1st: Arkansas (15.3%)
  - 49th: N. Dakota (-9.1%)

- **GDP Growth, Retail Trade**
  - 1st: Arkansas (9.2%)
  - 6th: N. Dakota (7.2%)

### Job Growth in Alaska and the Nation

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

1. July seasonally adjusted unemployment rates
2. U.S. Bureau of Economic Analysis, Compound Annual Growth Rate, First Quarter 2015 to First Quarter 2016
3. Annual average percent change; 2016 data are for January to July compared to the same months in 2015
Employer Resources

ALEXsys features improved with employers in mind

Recruiting for Alaska talent just got easier with the new streamlined design of ALEXsys. The Division of Employment and Training Services is pleased to announce the major overhaul of ALEXsys employer registration and recruitment features. We made all of the many enhancements to the system with one question in mind: “How will this change improve the recruitment process and results for our No. 1 customer group: Alaska employers?”

Here are some of the improved ALEXsys features:

• We simplified options to match the current needs of employers, as described by employers.
• Employers can request email notification when their recruitment goes live to Alaska job seekers and when it’s about to end; that way, employers can check their applicant pool at will to decide if the recruitment should be extended.
• We eliminated fields that employers described as unnecessary.
• Partially completed job recruitments are now saved for completion later if the employer doesn’t have time to finish them all at once.
• The screen display is more aesthetically pleasing and easier to follow.
• Tracking, editing, and copying recruitments is easier and quicker.

Employers can register in ALEXsys and place job listings with us on their own or with help from Alaska Job Center staff at any step. Experienced and knowledgeable Job Center staff members are dedicated to making the employer recruitment experience positive and results-oriented. For more information, contact any one of our statewide job centers by calling toll-free (800) 724-2539 or visiting www.jobs.state.ak.us.

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

Safety Minute

Training and education key to any health and safety program

Training and education is one of the most important elements of any safety and health program. Many OSHA standards specifically require employers to train employees in safety and health aspects of their jobs. Other OSHA standards make it the employer’s responsibility to limit certain job assignments to employees who are certified, competent, or qualified, which means they have received special training.

A good safety program is based on a well-planned, ongoing training program which ultimately saves time and increases the effectiveness of the training. Training needs may range between manager and supervisor training, worker task training, employee updates, and new employee training.

Safety and health training is critical to achieving accident prevention, however, training cannot be the single answer to preventing all accidents in the workplace. Training is applicable:

• When a worker lacks safety skills
• When a new employee is hired
• When an employee is transferred to another job or task
• When the normal operating procedures have changed
• When a worker has not performed a task for some period of time or needs a refresher

For more information about safety and health training plans, contact the Alaska Occupation Safety and Health Consultation and Training Department at (800) 656-4972 or visit: labor.alaska.gov/lss/oshhome.htm.

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