

ALASKA ECONOMIC

# TRENDS

February 2001

## Yukon-Koyukuk Census Area

A profile of rural Interior Alaska



Alaska Department of Labor  
and Workforce Development

Tony Knowles  
Governor of Alaska

# ALASKA ECONOMIC **TRENDS**

February  
2001  
Volume 21  
Number 2

<http://www.labor.state.ak.us/research/research.htm>

ISSN 0160-3345

*Alaska Economic Trends* is a monthly publication dealing with a variety of economic-related issues in the state.

*Alaska Economic Trends* is funded by the Employment Security Division and published by the Department of Labor and Workforce Development, P.O. Box 21149, Juneau, Alaska 99802-1149.

Printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$.67 per copy.

For more information, email the authors. For changes to mailing list, or copies of *Trends*, contact the subscriptions desk.

The AKDOL Publications Office may be reached at (907) 465-6018.

Material in this publication is public information and, with appropriate credit, may be reproduced without permission.

*Trends* is available on the Internet. See URL above.

Cover photo courtesy of Department of Community and Economic Development

Tony Knowles, Governor of Alaska  
Ed Flanagan, Commissioner of Labor  
and Workforce Development

Joanne Erskine, Editor

Email *Trends* authors at:

[Brigitta\\_Windisch-Cole@labor.state.ak.us](mailto:Brigitta_Windisch-Cole@labor.state.ak.us)

[Neal\\_Fried@labor.state.ak.us](mailto:Neal_Fried@labor.state.ak.us)

February *Trends* authors are Labor Economists with the Research and Analysis Section, Administrative Services Division, Department of Labor and Workforce Development in Anchorage.

Cover design by Chris Snyder

Subscriptions:  
[Stephanie\\_Stutler@labor.state.ak.us](mailto:Stephanie_Stutler@labor.state.ak.us)  
(907) 465-4500

---

## Contents:

Yukon-Koyukuk Census Area A profile of rural Interior Alaska	3
<i>Employment Scene</i> Economy grows for 13th year in a row Growth picked up a bit in 2000	11

---

# Yukon-Koyukuk Census Area

by  
Brigitta Windisch-Cole  
Labor Economist

## A profile of rural Interior Alaska

The Yukon-Koyukuk Census Area covers most of Alaska's Interior region. It covers 148,258 square miles, over a quarter of Alaska's landmass. It is larger than the state of Montana, the nation's fourth largest state. Because its geographic boundaries do not surround a square land parcel or follow a river, the area is difficult to describe. The northern boundary runs south of the Brooks Range, and Canada's Yukon Territory lies to the east. The southeastern boundary separates Yukon-Koyukuk from the areas which comprise the remainder of the Interior region: Southeast Fairbanks Census Area, and Fairbanks North Star and Denali boroughs. The southern border turns due west to Holy Cross, the area's southwest corner. From here, the western border runs through the Nulato Hills. The outward edges of the Endicott Mountains form the area's northwestern outline. (See map in Exhibit 2.)

### Great rivers, great mountain ranges

Five national wildlife refuges and several mountain ranges lie within the Yukon-Koyukuk's vast landscape. The Yukon River roughly bisects the area, flowing approximately 1,100 miles through it in a southwesterly direction. Five of Alaska's ten largest rivers are tributaries of the Yukon, ranging between 314 and 555 miles in length. The Kuskokwim, Alaska's fourth longest river, also has its origin in this area.

Only 6,372 people reside in the census area, and 63.3% of the population is Alaska Native. (See

Exhibit 1.) Most settlements are located on the Yukon River or its tributaries. McGrath is on the banks of the Kuskokwim River. Rivers are the most important transportation routes for residents.

## The Yukon-Koyukuk Census Area

A statistical snapshot

	Alaska	Yukon-Koyukuk Census Area
<b>Population (1999):</b>	622,000	6,372
Median age (1999)	32.9	32.7
Persons per household (1999)	2.68	2.57
<b>Age:</b>		
Percent under 5 years old	8.2	7.9
Percent school age population (5 to 17)	22.9	27.7
Percent adult workforce population (18 to 64)	63.5	57.1
Percent seniors (65 years & over)	5.4	7.3
<b>Gender:</b>		
Percent female (1999)	48.0	45.4
<b>Demographics of the region (1999):</b>		
Percent Native American	16.8	63.3
Percent White	73.7	35.9
Percent African-American	4.4	0.3
Percent Asian/Pacific Islander	5.1	0.5
Percent Hispanic	4.7	0.7
<b>Workforce issues:</b>		
Annual average unemployment rate (1999)	6.0	13.5
Annual average monthly employment (1999)	273,624	2,000
<b>Income measures:</b>		
Personal per capita income (1998)	\$27,835	\$18,005
Wage and salary employment (annual avg. 1999)	\$33,510	\$26,661
Median Household Income (1997)	\$43,657	\$30,532
<b>Educational attainment:</b>		
Percent high school graduate or higher (1990)	86.6	73.2
Percent bachelor's degree or higher (1990)	23.0	13.8

Source: Alaska Department of Labor and Workforce Development;  
U.S. Bureau of the Census, Bureau of Economic Analysis

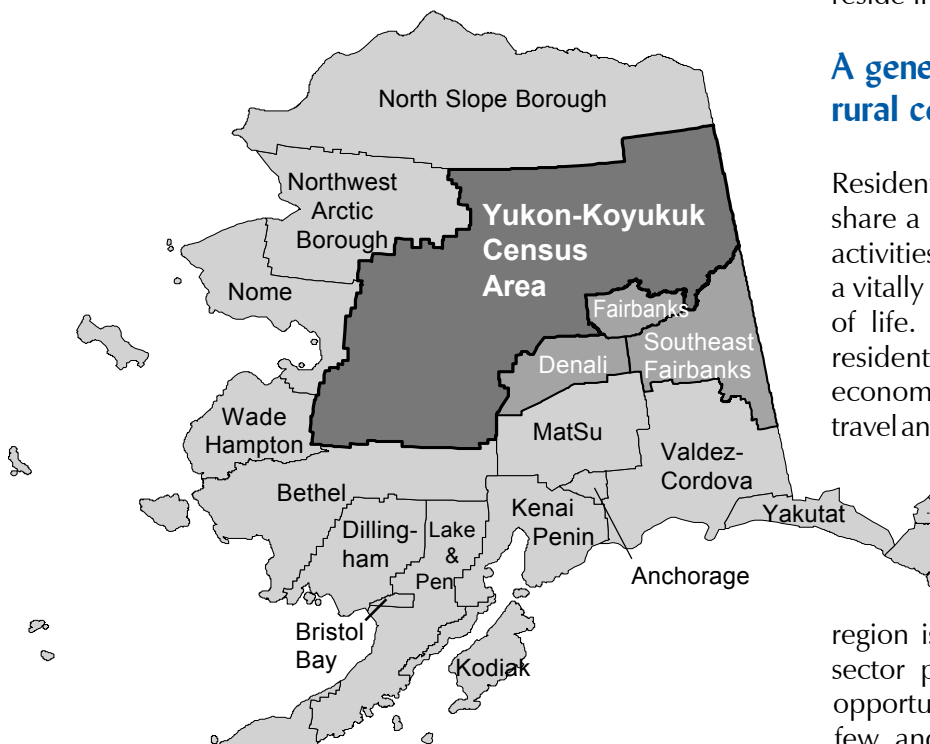
In winter, they serve as ice roads; the traffic includes cars, snow machines and even sled dog teams. In summer, riverboats replace the vehicles. Inside the villages four-wheelers are the typical transportation. Just seven settlements in the Yukon-Koyukuk Census Area are on Alaska's road system, so airplanes provide a year-round connection to Fairbanks and other places. Most communities receive seasonal freight delivery by river barge, while a few villages, such as Nikolai, Minchumina, and Arctic Village, rely almost exclusively on air transportation. All communities except Nenana are situated in remote locations. The smallest inhabited place is Coldfoot with a population of 18 people. Fort Yukon is the largest with 570 inhabitants. (See Exhibit 3.)

### The area's large subdivisions

The Yukon-Koyukuk is subdivided geographically into the Koyukuk-Middle Yukon area, a large section in the northwest; the McGrath-Holy Cross area in the southwest; and Yukon Flats, the northeastern corner. Little commercial interaction occurs among these large subdivisions because of the vast geographic distances. Most supplies and services are dispatched from Fairbanks, the Interior's urban center.

Nearly 3,600 people live in 20 settlements in the Koyukuk-Middle Yukon area. Galena is the largest community. Most of the area's indigenous population is of Athabascan or Eskimo descent. The McGrath-Holy Cross area has a population of 1,286. McGrath is the largest of nine communities, and most villagers share an Athabascan heritage. In the northeast in Yukon Flats, an area with 1,491 residents, Fort Yukon is the largest town. This area is home to the Gwich'in Indians, who reside in nine settlements.

## 2 Yukon-Koyukuk Cuts Swath Across Alaska's Interior



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

### A general profile of Yukon-Koyukuk rural communities

Residents of the Yukon-Koyukuk Census Area share a common lifestyle and similar economic activities. Subsistence hunting and fishing remain a vitally important part of the economy and way of life. Delivery of supplies and services to residents is the main ingredient of the cash economies. Airways are the most used link for travel and supplies. Typically, village infrastructure is modest, although most inhabited locations have an airstrip. Basics of modern living such as indoor plumbing or piped-in water are still considered amenities here. The region is rich in mineral deposits. The public sector plays the role of lead employer. Job opportunities in all the remote communities are few, and regional income is low.

### Wage and salary employment grew little

During the past eight years employment grew by 113 jobs, or six percent. Most of the new jobs stemmed from the services and trade sectors. Government remained the dominant employer in the Yukon-Koyukuk Census Area, claiming more than half of all payroll jobs. Although the public sector maintained its dominance, it did suffer substantial job losses when the Air Force Station in Galena closed. Since 1995, wage and salary employment growth has flattened, hovering around 2,000 jobs. (See Exhibit 4.)

In 1999, government jobs made up 59 percent of the census area's total wage and salary employment. Federal and state government employment was fairly small, but local governments, including school districts, employed nearly half of the area's entire wage and salary workforce. City and village government entities employed almost 370 workers, and the remaining 600 were school district employees, making public education the leading economic force. Five school districts operate in the area and all of them are on the list of largest employers. (See Exhibit 6.) The Galena City School District is the largest. In addition to its regular school and a boarding school for high school students, this district runs a popular cyber school. Two other local districts, the Iditarod Area and Nenana City Schools, also offer long distance learning programs.

### The cyber schools

The Interior Long Distance Education Area (IDEA) branch of the Galena City School District is the region's most popular education program, although only 10 students in the Yukon-Koyukuk Census Area are using it. In October 2000, IDEA enrollment reached nearly 3,100 students, down some from its record high of 3,487 in 1999. This new education format offers home schooling programs from kindergarten through 12<sup>th</sup> grade. The district provides computer equipment,

	1990	1999	Change 90-99
<b>Yukon-Koyukuk Census Area</b>	<b>6,714</b>	<b>6,372</b>	<b>-5.1%</b>
<b>Koyukuk-Middle Yukon census subarea</b>	<b>3,928</b>	<b>3,595</b>	<b>-8.5%</b>
Allakaket	170	187	10.0%
Alatna	31	34	9.7%
Allakaket	139	152	9.4%
Evansville	69	50	-27.5%
Bettles	36	26	-27.8%
Evansville	33	24	-27.3%
Galena	833	563	-32.4%
Hughes	54	61	13.0%
Huslia	207	272	31.4%
Kaltag	240	254	5.8%
Koyukuk	126	101	-19.8%
Lake Minchumina	32	38	18.8%
Manley Hot Springs	96	88	-8.3%
Minto	218	248	13.8%
Nenana	393	348	-11.5%
Nulato	359	381	6.1%
Rampart	68	66	-2.9%
Ruby	170	184	8.2%
Stevens Village	102	92	-9.8%
Tanana	345	301	-12.8%
Wiseman	33	20	-39.4%
Remainder of Koyukuk-Middle			
Yukon census subarea	413	341	-17.4%
Coldfoot	34	18	-47.1%
<b>McGrath-Holy Cross census subarea</b>	<b>1,448</b>	<b>1,286</b>	<b>-11.2%</b>
Anvik	82	93	13.4%
Grayling	208	184	-11.5%
Holy Cross	277	247	-10.8%
McGrath	528	423	-19.9%
Medfra	-	-	
Nikolai	109	105	-3.7%
Shageluk	139	140	0.7%
Takotna	38	48	26.3%
Telida	11	2	-81.8%
Remainder of McGrath-Holy Cross			
census subarea	56	44	-21.4%
Flat	9	12	33.3%
<b>Yukon Flats census subarea</b>	<b>1,338</b>	<b>1,491</b>	<b>11.4%</b>
Arctic Village	96	138	43.8%
Beaver	103	126	22.3%
Birch	42	35	-16.7%
Canyon Village	-	-	
Central	52	62	19.2%
Chalkyitsik	90	102	13.3%
Circle	73	89	21.9%
Circle Hot Springs	29	35	20.7%
Fort Yukon	580	570	-1.7%
Venetie	182	232	27.5%
Remainder of Yukon Flats census subarea	91	102	12.1%

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

Internet access, and other teaching material for its students. The program requires that a parent assist and monitor the learning progress of each student. Educational professionals, students, and parents communicate via electronic mail.

Galena's new long distance learning program immediately gained statewide popularity. Alaska's urban students, in particular, have taken advantage of it. Most IDEA program students live in Anchorage, Fairbanks, Juneau, the Matanuska Valley, or on the Kenai Peninsula. The Galena district recently opened offices in Anchorage, Juneau, Fairbanks, Kenai, and Wasilla, offering tutoring service and consultation for its subscribers. In school year 2001, the district is receiving over \$9.7 million in state funding to educate the Internet-linked students. Enrollment in other long distance learning programs is strong as well. This year, Nenana Schools have 1,683 students enrolled in their Cyber-Lynx program, and Iditarod Area Schools reported that 484 students were enrolled in its Distance Learning program.

## Private sector employment has concentrated on essential services

In 1999, only 820 jobs were in the private sector, most of them in the services industry. The most important employers were the local tribal councils that provide housing, health care, and other social services to residents. Nearly all of the 38 settlements have their own tribal organizations. These councils perform services under contract with non-profit organizations or government entities. In essence, public funds support their effort. The retail sector had the second largest employment count in the area, but retail jobs are generally located in larger places, such as in Fort Yukon, Galena, or McGrath. Small villages typically have only one variety store. The transportation industry is also very important, with most jobs airline related. Construction represented four percent of all wage and salary employment in 1999, but the economic impact of this industry typically waxes and wanes. (See Exhibit 5.) Construction activity in Interior Alaska depends largely on public funding.

## 4 Wage and Salary Employment In Yukon-Koyukuk Census Area

	1991	1992	1993	1994	1995	1996	1997	1998	1999	Change 90-99
Total Nonag. Wage & Salary Employment	1,887	1,846	1,812	1,858	2,031	1,962	2,046	2,001	2,000	113
Agriculture, Forestry, Fishing	1	4	7	6	6	4	2	3	2	1
Mining	44	9	8	16	25	35	54	87	26	(18)
Construction	5	3	4	54	194	130	97	48	79	74
Manufacturing	0	0	0	2	21	21	17	15	15	15
Transportation	82	96	101	211	181	99	128	115	96	14
Trade	108	110	135	145	145	168	188	212	190	82
Wholesale	8	13	14	14	16	17	20	18	17	9
Retail	100	97	121	131	129	151	168	194	173	73
Finance, Insurance & Real Estate	39	37	38	43	40	49	50	42	44	5
Services & Misc.	207	217	210	211	259	290	325	340	368	161
Government	1,396	1,367	1,304	1,171	1,161	1,164	1,185	1,140	1,179	(217)
Federal	187	185	158	125	116	119	115	98	95	(92)
State	140	107	117	137	116	124	121	120	114	(26)
Local	1,069	1,075	1,029	909	929	921	949	922	970	(99)

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

## Public sector construction has picked up

Construction activity has been brisk in Interior villages. Projects such as airstrip renewals or rebuilds, sewer and water systems, and upgrades to bulk fuel farms have been the main focus of village infrastructure improvement. Public housing projects have also helped improve the standard of living. In fiscal year 1999, the Department of Housing and Urban Development (HUD) helped with \$8.2 million. Additional funds from state and other federal agencies were used to construct more than 30 new single family units, multi-purpose buildings, and modernize existing structures. Usually, the Interior Regional Housing Authority and individual tribal village housing authorities employ local workers on village projects. Often such labor is not counted in construction employment because public entities and housing authorities remain the principal employers. Construction work, identified as "force account" labor, therefore often is recorded as services, real estate or government employment.

## Income is low and poverty high

The various income accounts for the Yukon-Koyukuk Census Area show earnings falling considerably below state averages. Wage and salary income in 1999, for example, was more than 20 percent below the statewide average. The most recent personal per capita income measure, for 1998, pointed to a 35 percent difference. In 1997, household income ranked 25th among Alaska's 27 census areas. Median household income was \$30,532, trailing the statewide median by 30 percent. (See Exhibit 1.) All measures show widespread poverty in the area. The U.S. Census Bureau recently published its 1997 poverty estimates, concluding that 24.2% of residents of the Yukon-Koyukuk area were living in poverty. This is more than twice the statewide rate of 11.2%.

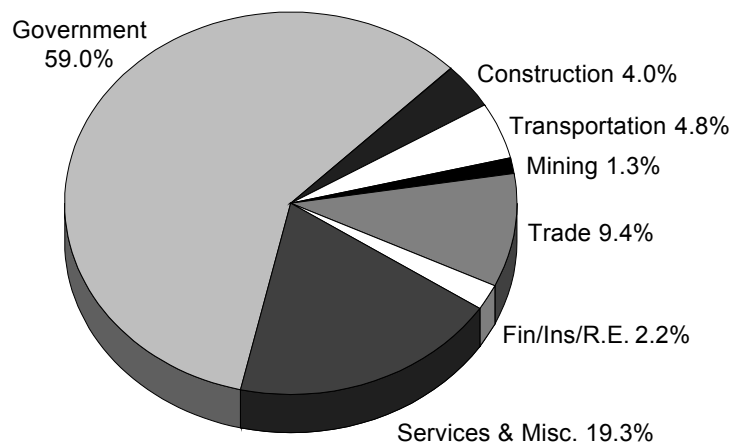
Statistics also show that earnings have declined in recent years. Total payroll earned in the area has decreased from \$65.4 million in 1995 to \$53.3 million in 1999. Some of the decline relates to the mine closures at Illinois Creek near Galena, and the Nixon Fork Mine, which was located north of McGrath.

The size of the drop in total personal income figures was held to \$1.1 million between 1995 and 1998 because two of its components, transfer payments, and dividend, interest and rental income, rose in the same time period. In three years, transfer payments increased by nearly 16 percent and income derived from dividends, interest, and rent grew more than 10 percent. Transfer payments describe disbursements from government to individuals, non-profit organizations, and businesses.

A closer look at 1998 area personal income underscores the importance of transfer payments for rural Interior Alaska. (See Exhibit 7.) More than \$113.6 million of personal income accrued for the census area, and just 48.7% of it was net

## Wage and Salary Jobs By industry in Yukon-Koyukuk, 1999

# 5



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

earnings from employment. Transfer payments added 36.3%, and dividend, interest and rental income generated 15% of the total. The transfer payment portion amounted to nearly \$41.3 million.

More than 38 percent of the area's government payments were spent on behalf of the resident population for medical services. (See Exhibit 8.) Alaska's Indian and Eskimo populations receive free health care benefits under federal mandate. Since 1995, those payments have increased by 21.5%, despite little change in population. The second largest transfer payment category, claiming nearly 24 percent, is classified as "other" payments. Alaska Permanent Fund dividend distributions are captured in the "other" group. Since 1995, those payments rose by 32 percent, most of which reflects the increase in the amount of Permanent Fund dividend checks. Income maintenance benefits payments, which include family assistance, food stamps, and other assistance, made up nearly 22 percent of the transfer payments. In 1998, the amount spent on such assistance was nearly three percent below its 1995 level. The remaining 16 percent of transfer

payments were unemployment insurance, retirement, disability payments and disbursements to nonprofits, businesses, education and training programs. The amount distributed for these types of transfer payments changed little between 1995 and 1998.

The economy of the Yukon-Kuskokwim area cannot generate all the cash it requires, and subsidies, whether in kind or cash, are needed. The infusion of public funds into the region is relatively large. Despite public subsidies, village residents enjoy few modern conveniences. Life is very basic and subsistence plays a major role.

### A subsistence foundation

Hunting and fishing are the traditional sources of food. They are basic to the rural economy; area grocery prices are among the highest in the state. Transportation charges to these remote and sparsely populated settlements are high.

In the Yukon-Koyukuk, subsistence centers mostly around fish and big game. The Yukon and its tributaries provide fish, although the salmon resource has seriously declined. In 1999, the subsistence chinook and chum salmon harvest yield was just 58 percent of the 1990 catch. Still, the 1999 harvest, albeit small, produced over 1.3 million pounds of fish for local residents. Data have not yet been compiled for the disastrous 2000 season. But it likely will be the lowest subsistence take on record in the middle and upper Yukon area.

Big game is another important subsistence resource. Moose, caribou and black bear are among the most important species. Recently, the Alaska Department of Fish and Game conducted a sub-regional subsistence harvest survey for the Middle Yukon/Koyukuk area. It showed that hunting success from April 1999 through March 2000 yielded 413 moose, 137 caribou, and 62 black bear for a resident population of about 2,130. Not all households hunt, and meat is usually shared among the members of a

## 6 The Largest Employers In Yukon-Koyukuk Census Area

Rank	Company Name/Organization	Annual Avg. Employment
1	Galena City School District	148
2	Yukon-Koyukuk School District	134
3	Iditarod Area School District	120
4	State of Alaska	114
5	Yukon Flats School District	111
6	Federal Government	95
7	Athabaskan Tribal Government Council	65
8	Nenana City School District	48
9	Kiewit Pacific	45
10	City of Galena	41

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



community, according to ancestral traditions. Wild fowl hunting and berry picking are supplementary subsistence activities.

### Traditional cash-generating economies have been ailing

Until recently, gold mining, commercial fishing and trapping were part of the region's cash producing economies. The rich mineral deposits of the Interior are legendary. Many settlements cite a gold rush in their chronicles and have contributed to Alaska's turbulent gold mining history. In recent history, rich gold deposits warranted the construction of two mines. The Illinois Creek Mine, near Galena, and the Nixon Fork Mine, north of McGrath, built in the mid 1990s, had a combined production potential of nearly 80,000 ounces of gold per year. But both mines, operating in high cost environments, had to suspend operations when gold prices started to deteriorate in 1998. Placer mining operations also fell victim to unfavorable business conditions.

Commercial fisheries harvests began in 1978 in the Upper Yukon area and developed into roe fisheries. Typically, commercial harvesters extracted and sold only the roe, mostly of female chum salmon. Though not substantial, this type of fishery produced some income for residents of the region. In 1990, for example, it earned over \$2.4 million for 116 local permit holders. Recently, poor fish runs created uncertainty about the viability of such commercial activity. In 1999, earnings amounted to just \$210,300 for 37 permit holders. During the 2000 season all commercial fishing ceased on the middle and upper Yukon because the salmon run fell to record low levels.

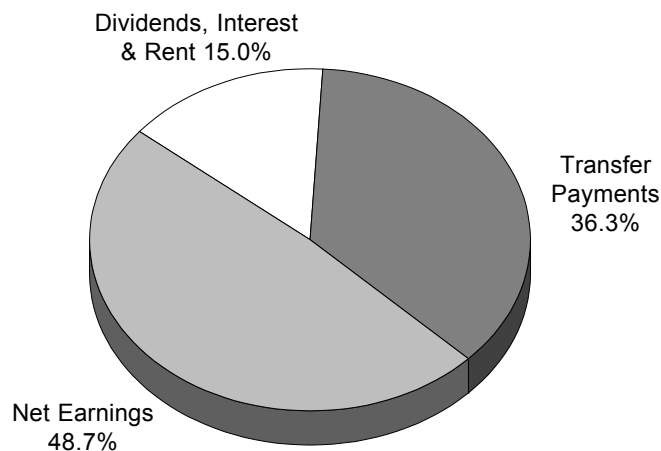
The frontier economy also includes trapping, Alaska's oldest commercial activity. Most trappers use snow machines to run their traplines, which in the Interior average 44 miles in length. Only a few trappers still use dog teams. According to a Department of Fish and Game report, lynx, beaver, and wolf were the top species harvested in the

Interior during the 1998-1999 season. Effort, however, has diminished because the demand for furs has dropped off sharply during the past decade.

### The visitor industry has identified a few "hot" spots

Because access to most villages is limited, most of the Yukon-Koyukuk area has not been touched by mass tourism. Nenana is the big exception, due to its location on the Parks Highway between Denali National Park and Fairbanks. Many tour buses and independent travelers make a special stop in town. Among Alaskans, the town is famous for the Nenana Ice Classic, a lottery that rewards the best date and time guess for the spring ice breakup on the Tanana River near the highway bridge. The lottery employed nearly 100 workers in April 2000. Other places such as Manley Hot Springs and Circle Hot Springs are popular retreat spots for Alaskans, particularly Fairbanks residents. Their big advantage is that they can be reached by road.

## Sources of Personal Income Yukon-Koyukuk Census Area \$113.6 million in 1998



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

The Dalton Highway has recently become an attraction for visitors seeking an Arctic adventure.

The villages along the Iditarod trail make the news during the famous sled dog race, but only a few visitors actually observe the race from Interior villages. High airfares and a lack of visitor infrastructure are limiting factors. Villages on the Yukon River have seen a rise in visits from travelers, many of them tour boat passengers or canoeists stopping for short visits.

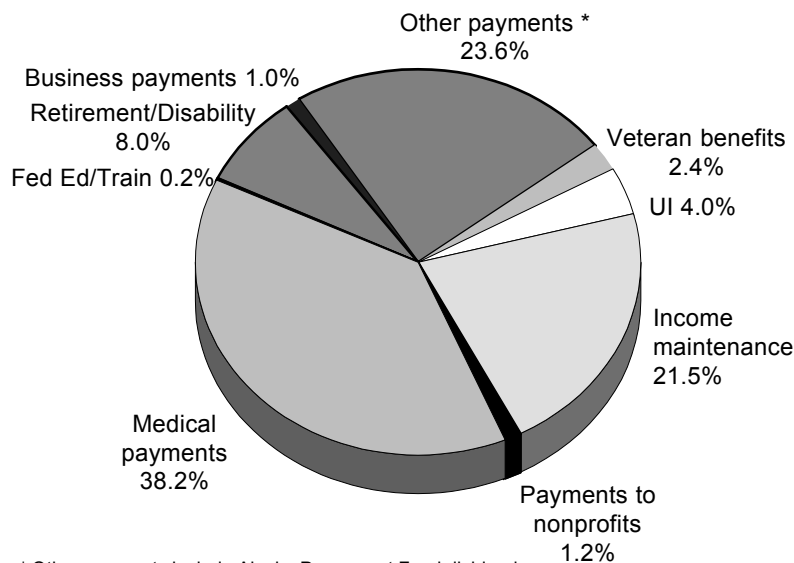
Sport hunters and anglers regularly visit the rural Interior. Outfitters from urban Alaska, however, organize the big game hunts, and only a few local residents work as guides. This also holds true for the boat charter business. According to the Commercial Fisheries Entry Commission, only 37 of the 134 charter boats that operate on the Yukon and its tributaries are home-ported in villages of the Yukon-Koyukuk. Although the tourism industry is growing, it has not yet become big business in

the rural areas of the Interior.

### Job opportunities are scarce

The lack of employment opportunities remains a basic characteristic of rural Interior Alaska. Year-round employment is rare. Villagers often have to leave their communities to take jobs elsewhere. Construction work and fire fighting are examples of such seasonal jobs. Therefore, it is not surprising that many people of working age leave the villages. This appears to be happening in the Yukon-Koyukuk Census Area; the working age population (18-64 years of age) has declined 6% between 1990 and 1999. Net migration figures confirm that fewer people come into than leave the area. In fact, the overall population has declined in most years of the 1990s, and natural increase from births could not offset this trend. Despite its rich mineral resources and natural beauty, economic development is a challenge for most of the Yukon-Koyukuk Census Area because of limited access and vast distances.

## 8 Large Portion of 1998 Y-K Transfer Payments was for health care



\* Other payments include Alaska Permanent Fund dividends

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

# Economy Grows for 13th Year in a Row

Growth picked up a bit in 2000

## Alaska Employment Scene

by  
Neal Fried  
Labor Economist

**W**ith only one month of employment data left to register for the year, 2000 is set to go down as the 13<sup>th</sup> year of uninterrupted growth for the Alaska economy. In 1999, employment did manage some growth but it was meager. The story is considerably better this year, with employment gains of 1.6%.

The rebound of oil industry employment is one reason the state's economy is in better shape. Unlike a year ago, when the oil industry was shedding jobs in large numbers, a strong recovery has been under way for the past six months. With the exception of manufacturing, every other industry either remains relatively stable or enjoyed some growth this year. The services industry maintains its star status, with transportation, construction and retail bringing up the rear. A hard hit timber industry and weak fish runs continue to haunt manufacturing.

### A healthy job market

For the third year in a row the job market was exceptionally good in Alaska. The fact that the nation's unemployment rate reached a 30-year low continues to go a long way in explaining the tight labor market in this state. During the past three years the unemployment rate has remained below 6.5%, and that represents some of the lowest jobless rates in the state's history. This tighter job market has made it harder for employers around the state to find employees. Even industries that historically have had few problems finding workers are running into difficulty. These industries include oil, construction, transportation, and state and local government. Employers'

problems often translate into pluses for workers. Benefits include easier job searches, a much richer choice of opportunities and more rapid promotions. Will this continue? It is difficult to predict, but there are signs employment growth in the nation is slowing. If this trend continues, the job market in Alaska could become more competitive if workers elsewhere in the nation again look to Alaska for employment opportunities.

### Alaska's average annual pay reaches \$34,034

Each year the Bureau of Labor Statistics releases the average annual pay for all fifty states and the nation's metropolitan areas. (See Exhibit 1.) This

*(continued on page 14)*

### Alaska Ranks 11th In average annual pay in 1999

1	Connecticut	\$50,742
2	New York	42,653
3	Massachusetts	42,133
4	California	40,331
5	Illinois	37,564
6	Washington	36,279
7	Michigan	35,736
8	Delaware	35,734
	<b>Anchorage</b>	35,707
9	Maryland	35,102
10	Colorado	34,472
<b>11</b>	<b>Alaska</b>	34,034
12	Minnesota	33,487
	U.S.	33,313

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

# 2 Nonagricultural Wage and Salary Employment

## By place of work

Alaska	preliminary	revised	Changes from:		
	11/00	10/00	11/99	10/00	11/99
<b>Total Nonag. Wage &amp; Salary</b>	275,400	283,400	270,700	-8,000	4,700
Goods-producing	32,800	37,600	31,800	-4,800	1,000
Service-producing	242,600	245,800	238,900	-3,200	3,700
<b>Mining</b>	9,900	10,000	9,000	-100	900
Oil & Gas Extraction	8,500	8,500	7,600	0	900
<b>Construction</b>	13,800	15,800	13,600	-2,000	200
<b>Manufacturing</b>	9,100	11,800	9,200	-2,700	-100
Durable Goods	2,600	2,800	2,900	-200	-300
Lumber & Wood Products	1,500	1,600	1,800	-100	-300
Nondurable Goods	6,500	9,000	6,300	-2,500	200
Seafood Processing	3,900	6,400	3,700	-2,500	200
<b>Transportation/Comm/Utilities</b>	25,800	26,900	25,500	-1,100	300
Trucking & Warehousing	2,800	2,900	2,800	-100	0
Water Transportation	1,700	1,900	1,700	-200	0
Air Transportation	9,500	9,600	9,300	-100	200
Communications	5,100	5,200	5,100	-100	0
Electric, Gas & Sanitary Svcs.	2,600	2,700	2,600	-100	0
<b>Trade</b>	57,400	57,500	56,900	-100	500
Wholesale Trade	8,700	8,700	8,900	0	-200
Retail Trade	48,700	48,800	48,000	-100	700
Gen. Merchandise & Apparel	10,400	10,100	10,200	300	200
Food Stores	6,600	6,800	6,800	-200	-200
Eating & Drinking Places	16,400	16,700	15,900	-300	500
<b>Finance/Insurance/Real Estate</b>	12,600	12,900	12,700	-300	-100
<b>Services &amp; Misc.</b>	71,700	72,900	69,000	-1,200	2,700
Hotels & Lodging Places	6,200	7,200	5,700	-1,000	500
Business Services	8,900	9,100	8,800	-200	100
Health Services	17,200	16,900	15,900	300	1,300
Legal Services	1,600	1,600	1,600	0	0
Social Services	8,200	8,200	7,900	0	300
Engineering & Mgmt. Svcs.	7,900	8,000	7,800	-100	100
<b>Government</b>	75,100	75,600	74,800	-500	300
Federal	16,200	16,400	16,400	-200	-200
State	22,700	22,800	22,300	-100	400
Local	36,200	36,400	36,100	-200	100

Municipality of Anchorage	preliminary	revised	Changes from:		
	11/00	10/00	11/99	10/00	11/99
<b>Total Nonag. Wage &amp; Salary</b>	134,800	135,900	132,300	-1,100	2,500
Goods-producing	12,000	13,000	11,700	-1,000	300
Service-producing	122,800	122,900	120,600	-100	2,200
<b>Mining</b>	2,700	2,700	2,500	0	200
Oil & Gas Extraction	2,500	2,500	2,400	0	100
<b>Construction</b>	7,300	8,200	7,100	-900	200
<b>Manufacturing</b>	2,000	2,100	2,100	-100	-100
<b>Transportation/Comm/Utilities</b>	14,500	14,600	14,100	-100	400
Air Transportation	6,300	6,300	6,000	0	300
Communications	3,400	3,500	3,400	-100	0
<b>Trade</b>	32,200	31,800	31,900	400	300
Wholesale Trade	6,300	6,300	6,400	0	-100
Retail Trade	25,900	25,500	25,500	400	400
Gen. Merchandise & Apparel	5,400	5,000	5,200	400	200
Food Stores	2,600	2,600	2,700	0	-100
Eating & Drinking Places	9,300	9,300	9,000	0	300
<b>Finance/Insurance/Real Estate</b>	7,600	7,700	7,700	-100	-100
<b>Services &amp; Misc.</b>	39,700	40,000	38,000	-300	1,700
Hotels & Lodging Places	3,000	3,200	2,700	-200	300
Business Services	6,400	6,400	6,300	0	100
Health Services	9,200	9,100	8,200	100	1,000
Legal Services	1,200	1,200	1,200	0	0
Social Services	4,000	4,000	3,800	0	200
Engineering & Mgmt. Svcs.	6,100	6,200	6,100	-100	0
<b>Government</b>	28,800	28,800	28,900	0	-100
Federal	9,500	9,500	9,700	0	-200
State	9,200	9,200	9,000	0	200
Local	10,100	10,100	10,200	0	-100

Notes to Exhibits 2, 3, & 4—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 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 3—Prepared in part with funding from the Employment Security Division.

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

# 3 Hours and Earnings

## For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 11/00	revised 10/00	11/99	preliminary 11/00	revised 10/00	11/99	preliminary 11/00	revised 10/00	11/99
Mining	\$1,533.64	\$1,398.60	\$1,356.60	52.2	50.4	47.5	\$29.38	\$27.75	\$28.56
Construction	1,117.80	1,255.30	1,027.58	40.9	46.7	38.4	27.33	26.88	26.76
Manufacturing	511.21	543.77	522.61	33.5	41.7	36.7	15.26	13.04	14.24
Seafood Processing	265.22	391.35	284.49	25.9	42.4	32.7	10.24	9.23	8.70
Transportation/Comm/Utilities	736.90	782.19	726.57	34.1	35.7	35.1	21.61	21.91	20.70
Trade	466.82	477.47	445.45	34.0	34.7	33.9	13.73	13.76	13.14
Wholesale Trade	622.20	647.90	628.46	36.6	38.0	37.7	17.00	17.05	16.67
Retail Trade	439.19	449.05	413.67	33.5	34.2	33.2	13.11	13.13	12.46
Finance/Insurance/Real Estate	608.30	640.95	603.77	35.0	36.9	34.9	17.38	17.37	17.30

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 1999

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

# 4 Nonagricultural Wage and Salary Employment

## By place of work

### Fairbanks North Star Borough

	preliminary 11/00	revised 10/00	Changes from:		
			11/99	10/00	11/99
<b>Total Nonag. Wage &amp; Salary</b>	33,650	34,650	33,200	-1,000	450
Goods-producing	3,350	3,900	3,050	-550	300
Service-producing	30,300	30,750	30,150	-450	150
<b>Mining</b>	1,050	1,100	850	-50	200
<b>Construction</b>	1,700	2,200	1,600	-500	100
<b>Manufacturing</b>	600	600	600	0	0
<b>Transportation/Comm/Utilities</b>	2,900	3,050	2,900	-150	0
Trucking & Warehousing	600	600	550	0	50
Air Transportation	900	950	900	-50	0
Communications	400	450	400	-50	0
<b>Trade</b>	6,750	6,850	7,100	-100	-350
Wholesale Trade	750	750	800	0	-50
Retail Trade	6,000	6,100	6,300	-100	-300
Gen. Merchandise & Apparel	1,150	1,100	1,300	50	-150
Food Stores	650	700	750	-50	-100
Eating & Drinking Places	2,150	2,200	2,200	-50	-50
<b>Finance/Insurance/Real Estate</b>	1,100	1,150	1,200	-50	-100
<b>Services &amp; Misc.</b>	8,350	8,550	8,050	-200	300
Hotels & Lodging Places	650	750	600	-100	50
Health Services	2,050	2,050	2,000	0	50
<b>Government</b>	11,200	11,150	10,900	50	300
Federal	3,300	3,350	3,250	-50	50
State	4,750	4,700	4,600	50	150
Local	3,150	3,100	3,050	50	100

### Southeast Region

<b>Total Nonag. Wage &amp; Salary</b>	34,100	35,500	33,950	-1,400	150
Goods-producing	4,300	4,900	4,500	-600	-200
Service-producing	29,800	30,600	29,450	-800	350
<b>Mining</b>	300	300	300	0	0
<b>Construction</b>	1,600	1,750	1,550	-150	50
<b>Manufacturing</b>	2,400	2,850	2,650	-450	-250
Durable Goods	1,300	1,400	1,600	-100	-300
Lumber & Wood Products	1,050	1,150	1,350	-100	-300
Nondurable Goods	1,100	1,450	1,050	-350	50
Seafood Processing	800	1,150	800	-350	0
<b>Transportation/Comm/Utilities</b>	2,500	2,650	2,450	-150	50
<b>Trade</b>	6,050	6,150	6,000	-100	50
Wholesale Trade	600	600	600	0	0
Retail Trade	5,450	5,550	5,400	-100	50
Food Stores	1,200	1,250	1,250	-50	-50
<b>Finance/Insurance/Real Estate</b>	1,250	1,250	1,250	0	0
<b>Services &amp; Misc.</b>	7,700	8,050	7,450	-350	250
Health Services	1,750	1,750	1,700	0	50
<b>Government</b>	12,300	12,500	12,300	-200	0
Federal	1,600	1,750	1,600	-150	0
State	5,300	5,300	5,250	0	50
Local	5,400	5,450	5,450	-50	-50

### Northern Region

<b>Total Nonag. Wage &amp; Salary</b>	15,000	15,050	14,200	-50	800
Goods-producing	5,300	5,250	4,650	50	650
Service-producing	9,700	9,800	9,550	-100	150
<b>Mining</b>	4,800	4,650	4,150	150	650
Oil & Gas Extraction	4,300	4,300	3,700	0	600
<b>Government</b>	4,450	4,600	4,450	-150	0
Federal	150	150	150	0	0
State	300	350	300	-50	0
Local	4,000	4,100	4,000	-100	0

### Interior Region

	preliminary 11/00	revised 10/00	Changes from:		
			11/99	10/00	11/99
<b>Total Nonag. Wage &amp; Salary</b>	38,350	40,000	38,050	-1,650	300
Goods-producing	3,550	4,100	3,450	-550	100
Service-producing	34,800	35,900	34,600	-1,100	200
<b>Mining</b>	1,200	1,200	1,000	0	200
<b>Construction</b>	1,750	2,250	1,800	-500	-50
<b>Manufacturing</b>	600	650	650	-50	-50
<b>Transportation/Comm/Utilities</b>	3,350	3,950	3,350	-600	0
<b>Trade</b>	7,550	7,750	7,750	-200	-200
<b>Finance/Insurance/Real Estate</b>	1,200	1,200	1,300	0	-100
<b>Services &amp; Misc.</b>	9,250	9,600	8,950	-350	300
Hotels & Lodging Places	850	1,000	750	-150	100
<b>Government</b>	13,450	13,400	13,250	50	200
Federal	3,750	3,800	3,750	-50	0
State	5,000	4,950	4,850	50	150
Local	4,700	4,650	4,650	50	50

### Anchorage/Mat-Su Region

<b>Total Nonag. Wage &amp; Salary</b>	148,200	149,500	144,800	-1,300	3,400
Goods-producing	13,400	14,600	13,050	-1,200	350
Service-producing	134,800	134,900	131,750	-100	3,050
<b>Mining</b>	2,650	2,750	2,500	-100	150
<b>Construction</b>	8,600	9,600	8,350	-1,000	250
<b>Manufacturing</b>	2,150	2,250	2,200	-100	-50
<b>Transportation/Comm/Utilities</b>	15,550	15,700	15,150	-150	400
<b>Trade</b>	35,850	35,550	35,300	300	550
<b>Finance/Insurance/Real Estate</b>	8,100	8,150	8,200	-50	-100
<b>Services &amp; Misc.</b>	43,200	43,500	41,050	-300	2,150
<b>Government</b>	32,100	32,000	32,050	100	50
Federal	9,600	9,600	9,850	0	-250
State	10,100	10,100	9,800	0	300
Local	12,400	12,300	12,400	100	0

### Southwest Region

<b>Total Nonag. Wage &amp; Salary</b>	14,900	16,700	14,650	-1,800	250
Goods-producing	1,800	3,150	1,600	-1,350	200
Service-producing	13,100	13,550	13,050	-450	50
Seafood Processing	1,600	2,900	1,400	-1,300	200
<b>Government</b>	5,900	6,100	5,950	-200	-50
Federal	300	350	350	-50	-50
State	500	500	500	0	0
Local	5,100	5,250	5,100	-150	0

### Gulf Coast Region

<b>Total Nonag. Wage &amp; Salary</b>	24,950	26,750	24,900	-1,800	50
Goods-producing	4,450	5,600	4,600	-1,150	-150
Service-producing	20,500	21,150	20,300	-650	200
<b>Mining</b>	1,000	1,050	1,050	-50	-50
Oil & Gas Extraction	1,000	1,050	1,050	-50	-50
<b>Construction</b>	1,200	1,450	1,250	-250	-50
<b>Manufacturing</b>	2,250	3,100	2,300	-850	-50
Seafood Processing	1,350	2,200	1,350	-850	0
<b>Transportation/Comm/Utilities</b>	2,250	2,400	2,250	-150	0
<b>Trade</b>	5,250	5,400	5,200	-150	50
Wholesale Trade	550	600	600	-50	-50
Retail Trade	4,700	4,800	4,600	-100	100
Eating & Drinking Places	1,450	1,550	1,400	-100	50
<b>Finance/Insurance/Real Estate</b>	800	800	850	0	-50
<b>Services &amp; Misc.</b>	5,400	5,650	5,250	-250	150
Health Services	1,150	1,150	1,100	0	50
<b>Government</b>	6,800	6,900	6,750	-100	50
Federal	650	700	650	-50	0
State	1,550	1,600	1,550	-50	0
Local	4,600	4,600	4,550	0	50

# 5 Unemployment Rates

## By region and census area

	Percent Unemployed		
	preliminary	revised	
Not Seasonally Adjusted	11/00	10/00	11/99
<b>United States</b>	3.8	3.6	3.8
<b>Alaska Statewide</b>	5.8	5.5	5.9
<b>Anchorage/Mat-Su Region</b>	4.6	4.4	4.6
Municipality of Anchorage	4.1	4.0	4.2
Mat-Su Borough	7.0	6.4	6.9
<b>Gulf Coast Region</b>	9.8	8.8	11.3
Kenai Peninsula Borough	9.0	8.4	11.1
Kodiak Island Borough	12.9	9.7	12.4
Valdez-Cordova	8.6	8.8	10.3
<b>Interior Region</b>	5.8	5.6	6.0
Denali Borough	10.0	9.9	11.0
Fairbanks North Star Borough	5.1	4.9	5.3
Southeast Fairbanks	10.8	10.9	10.5
Yukon-Koyukuk	14.0	11.4	12.2
<b>Northern Region</b>	9.6	10.1	9.6
Nome	10.2	9.5	9.2
North Slope Borough	8.0	9.6	8.0
Northwest Arctic Borough	11.2	11.8	12.6
<b>Southeast Region</b>	6.0	5.7	5.8
Haines Borough	9.4	7.4	11.5
Juneau Borough	4.4	4.6	4.5
Ketchikan Gateway Borough	6.9	6.6	6.8
Prince of Wales-Outer Ketchikan	9.1	9.0	8.7
Sitka Borough	4.2	3.9	4.1
Skagway-Hoonah-Angoon	9.1	8.6	5.7
Wrangell-Petersburg	8.0	6.3	7.2
Yakutat Borough	12.2	7.0	6.1
<b>Southwest Region</b>	9.0	8.5	8.1
Aleutians East Borough	4.6	3.7	4.6
Aleutians West	11.3	7.5	7.4
Bethel	8.0	8.8	7.8
Bristol Bay Borough	8.4	6.2	9.9
Dillingham	6.9	5.4	7.8
Lake & Peninsula Borough	12.3	10.0	4.1
Wade Hampton	14.2	15.0	13.2
<b>Seasonally Adjusted</b>			
United States	4.0	3.9	4.1
Alaska Statewide	6.0	6.0	5.9

### March 1999 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 11)

information is collected by each state separately—in Alaska by this department—and reported to the Bureau of Labor Statistics. The calculation is simple and straightforward. The average annual pay is computed by dividing the total annual payroll of employees covered by unemployment insurance by the average monthly number of these employees. This means that pay differences among states and areas are explained largely by the differences in the composition of employment by industry and occupation, and to a lesser extent by varying hours of work. Other factors may also enter into these differences.

At \$34,034, Alaska ranked 11<sup>th</sup> in the nation for average annual pay in 1999. This exceeds the national average by only two percent. Alaska's rankings for both personal income and average pay have been slipping for more than a decade. In 1990, Alaska enjoyed a 28 percent advantage over the nation in annual pay. Since the late 1980s, the nation's annual wage has grown faster than Alaska's, and the cumulative effect over time has resulted in this relative decline.

Part of the explanation for Alaska's slower pace in wage growth comes from the change in the industry and occupational mix of its labor force. In 1999, the lower paying services and retail industries employed 43 percent of the state's wage and salary workforce, versus 36 percent in 1990. During the same time period, the higher paying public sector's share of employment declined from 30 percent to 27 percent of the workforce. Other high paying sectors such as the oil and timber industries have become smaller players in Alaska's employment scene. The boom in the national economy of the past three to four years is another factor in its stronger wage gains—particularly that part of the boom fueled by lofty earnings in the “new economy.” In 1999, the nation's average annual wage increased by 4.3% versus a 0.6% gain in Alaska. An example of the “new economy's” impact is seen in Seattle's annual wage figures, which in 1999 alone, grew by 10.2% to \$43,921. This compares to Anchorage's increase of 0.7% for an annual average of \$35,707. Despite Anchorage's very weak growth, its annual average pay ranked 25<sup>th</sup> among more than 300 metro areas in the country.

# Employer Resources

Employers, check out this site, LMinet. This is the official site of America's Labor Market Information System. A variety of topics is covered, such as the latest initiatives and projects. There is a calendar, newsletter and training for LMI professionals. An employer database contains employers' names, addresses and telephone numbers. And don't miss America's Learning Exchange. Here, individuals and companies can readily find appropriate, already-developed training (technology-based, distance learning, traditional courses, or custom-developed.) This site is filled with a multiplicity of information that should not be missed.

The image displays two screenshots of web browsers. The top screenshot shows the Alaska Job Center Network website (www.jobs.state.ak.us) in a Netscape browser window. The page features a navigation menu with options like 'Employer Connector', 'Job Seeker Resources', and 'Training and Assistance'. A search bar is visible with fields for 'select a region' and 'select a job type'. A black arrow points from the 'America's LMI System' link in the menu to the bottom screenshot.

The bottom screenshot shows the LMinet website (http://www.lmi-net.org/) in a Netscape browser window. The page has a red header with the LMinet logo and the text 'Official Site of America's Labor Market Information System (ALMIS)'. Below the header is a navigation bar with links for 'Home', 'Email the LMI Institute', 'Site Map', and 'Text Only'. The main content area is organized into a grid of links, each preceded by a red star icon. The links include: 'Training Information' (LMI Institute Class Catalog, Class Information & Schedules), 'What is ALMIS?', 'Hot Topics' (The Latest Initiatives & Projects for LMI Professionals), 'ALMIS Project Summaries & Reports' (Short Descriptions of ALMIS Projects), 'Contacts' (Contact Information for LMI Directors, Agency Administrators and Others), 'LMI Calendar & News' (LMI Professional's Calendar & the LMI Institute Newsletter), 'Related Websites' (State Workforce Development Agencies & Federal Websites), 'LMI Job Board' (Look Here for a Job in the LMI Community), 'Discussion Forum' (Got an idea, a question or a recommendation? You can share it with LMI professionals all over the world!), and 'Resources' (Best Practices, Files for Training & Files from LMI Institute Classes). At the bottom of the page, it states 'This site was last updated December 19, 2000'.