



ALASKA ECONOMIC
TRENDS

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**ALASKA DEPARTMENT
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and WORKFORCE
DEVELOPMENT**

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ON THE COVER: Winter sunrise in Alaska, seen through the photographer's dining room window. Photo by Snowshoe Photography
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Strength of the economy depends on our fiscal decisions



Bill Walker
Governor

The falling price of oil isn't just affecting our state budget: It also has an impact on our economy. Large oil companies have cut back their workforce around the world, including in Alaska. Oil companies aren't the only employers cutting back. My administration has eliminated 1,400 state jobs over the last year in order to cut costs, and next year's budget plan has more cuts.

Recent layoffs and the state budget deficit have led to questions about whether Alaska is in a recession. It does not appear that we are: Seasonally adjusted unemployment has been steady over the last year despite low oil prices and their impacts on the state budget. However, the right question isn't whether we're in a recession at this moment, but how we're going to grow our economy for generations to come.

Alaska has weathered far worse storms than this period of low oil prices. The 1964 earthquake obliterated whole communities, including my hometown of Valdez. The 1980s recession caused much deeper job losses than we are likely to experience as a result of the current downturn in oil prices. We are in a much better position today because of the foresight of many great Alaska leaders who understood the turbulence of oil prices and the need to save for the future.

We have billions more in savings today than when the earthquake or the 1980s recession occurred, and we can lever-

age those assets to achieve a sustainable budget and growing economy. Thanks to our founders' wisdom and our savings, we have the capacity to address the cash flow problem caused by low oil prices.

I recently released the New Sustainable Alaska Plan, which outlines a path to balance the budget while positioning our economy for sustainable growth. A key piece of the plan is the Alaska Permanent Fund Protection Act, which would put oil revenue in the Alaska Permanent Fund. A set portion of the earnings would be used every year to support government services. But first, half of all royalty revenue would be set aside for distribution to Alaskans as dividends.

The other key piece of our plan is to continue to bring down state spending. The Department of Labor has consolidated divisions, and other departments are looking for efficiencies. We formalized statewide restrictions on travel and hiring.

While our savings give us the ability to implement a sustainable budget plan that preserves our economy's strength, we do not have the luxury of waiting. We have a \$3.8 billion deficit. That means every hour, we lose the opportunity to generate \$400,000 in revenue. In order to produce a sustainable budget, we must act this year. By doing so, we will both address our budget deficit and position our economy to continue growing long into the future.



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IS ALASKA IN A RECESSION?

Using job levels to define the term, and what history tells us

By **DAN ROBINSON**

Talk of Alaska being in a recession — or heading for one — has grown over the last year as oil prices have plunged. But what exactly is a recession, and what does it mean if we're in one?

For states, there's no accepted definition of a recession, and coming up with one isn't clear-cut. Nationally, the National Bureau of Economic Research — a private, nonprofit research group — and its Business Cycle Dating Committee are the recognized authority on identifying when the country entered a recession and when it ended. For example, the most recent national recession, often called the "Great Recession"

because of its severity, began in December 2007 and ended in June 2009.

NBER considers a number of economic indicators in dating recessions: gross domestic product, employment, unemployment, personal income, and industrial production, among others. Though it's common to hear that a recession is two or more consecutive quarters of declines in gross domestic product, which is appealing in its simplicity, that is not the definition the NBER uses. Instead, NBER defines a recession more broadly as "a significant decline in economic activity that spreads across the economy."

Since the 1970s, NBER has identified the following six U.S. recessions (see Exhibit 1):

Why unemployment rates can be misleading in state recessions

For the U.S. economy, one of the clearest signals of a recession is a high unemployment rate, and low rates typically mean the national economy is strong. That's not always the case for Alaska, where the migration of job seekers to and from the state complicates matters.

Alaska unemployment rates were relatively high even during the boom years of pipeline construction — in the 8 percent range — primarily because the promise of high-paying jobs lured a significant number of people who didn't yet have a job. For a short period, at least, many would have been counted as unemployed.

After the pipeline was completed, the unemployment rate rose, but not nearly as much as the sharp job losses of the period would have suggested. The rate rose from 7.6 percent in 1976 to 10.6 percent in 1978. Some of the pipeline workers left the state when the project was completed rather than remain in the state to be counted as unemployed.

The economic boom of the early 1980s was also marked by relatively high unemployment rates in Alaska as, once again, a strong economy brought in large numbers of job seekers. Unemployment rates in the first half of the 1980s were mostly in the 9 percent range and were closer to 10 percent from 1982 to 1985.

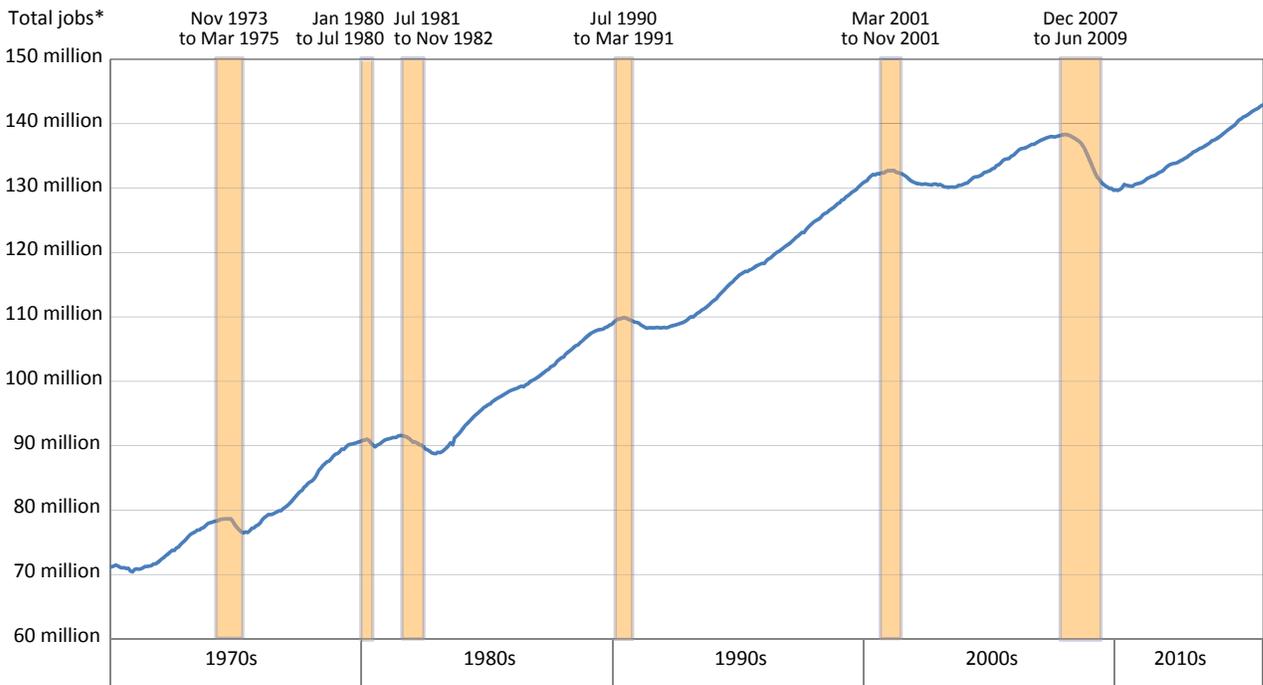
When the bottom fell out of the state's economy in 1986, the unemployment rate rose to nearly 11 percent, but that was once again a fairly small increase relative to the heavy job loss of the period. Many who lost their jobs left Alaska and either found work elsewhere or were counted as unemployed in another state.

Alaska unemployment rates followed a more typical recessionary pattern during the recession of 2009 because, as noted in the sidebar on population loss on page 8, the national economy was so weak that Alaskans who lost their jobs didn't have as much incentive to leave the state.

1

U.S. Recessions and Total Job Levels

1970 to 2015



*This count does not include the self-employed or military.

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

- November 1973 to March 1975 (16 months)
- January 1980 to July 1980 (6 months)
- July 1981 to November 1982 (16 months)
- July 1990 to March 1991 (8 months)
- March 2001 to November 2001 (8 months)
- December 2007 to June 2009 (18 months)

The recession definition we propose is at least three consecutive quarters of over-the-year job losses.

But national recessions don't always reach Alaska, and Alaska's "significant declines in economic activity" can be state-specific. For example, completion of the Trans-Alaska Oil Pipeline in the 1970s had little immediate effect on the U.S. economy, but the state's job count fell by almost 10 percent from 1976 to 1977. During that period, the U.S. economy added jobs at a rate of more than 4 percent.

Can Alaska recessions be defined the same way?

NBER doesn't date recessions at the state level. One reason it would be difficult to use NBER's approach at a state level is there are fewer economic indicators, and those available tend to be less statistically reliable and less current. National recessions often affect much of the country anyway, making detailed analysis at the state level redundant.

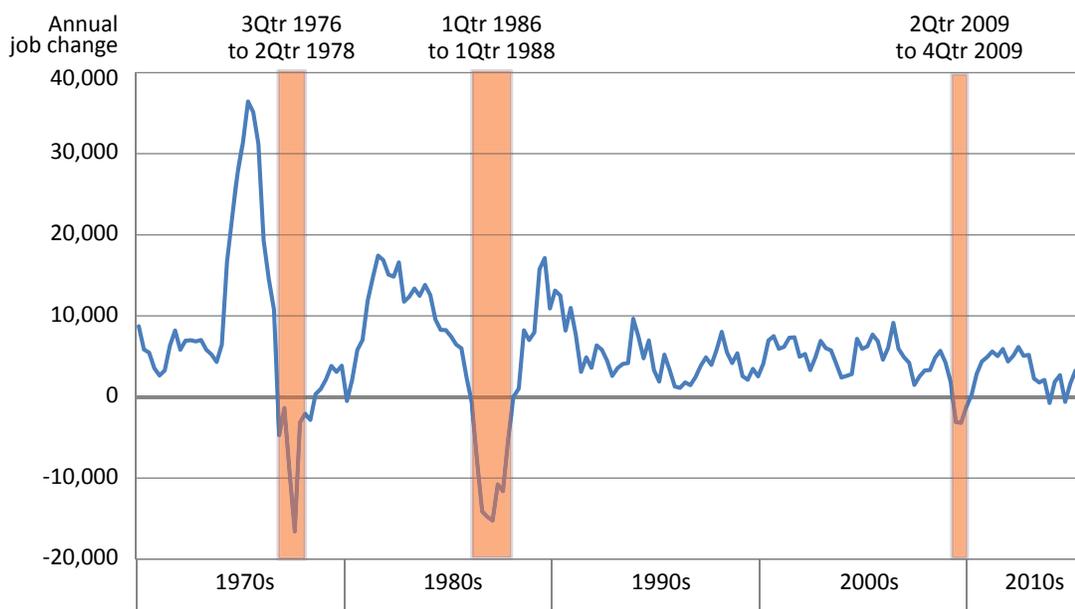
Job loss is always part of it

Despite the complex analysis in determining U.S. recessions, every recession includes job loss. The severity and duration vary, but all six of the recessions since the 1970s have produced significant employment decline. The causes differed by recession, but over the last 34 years there has never been a U.S. recession without net job loss, and there has never been significant net job loss outside a declared recession.

For that reason, job loss is the most obvious candidate for identifying state recessions. (See the sidebar

2 Alaska's Recessions and Job Losses and Gains

1970 TO 2015



*This count does not include the self-employed or military.

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

on page 9 for more on why state GDP is less useful for this purpose.)

Keeping in mind that recessions are significant declines in economic activity spread across the economy, the job loss must be large enough or across enough sectors to reduce the state's total job count.

Alaska has a combination of highly seasonal industries and industries with more stable year-round job counts. To avoid labeling a bad fishing year or a weak construction year a recession, the recession definition we propose is *at least three consecutive quarters of over-the-year job losses*. That means losses would have to include either the fourth or first quarter, when the state's large seasonal industries are at their low points.

Alaska's three modern recessions

By this proposed definition, Alaska has had three recessions since 1970 — half as many as the U.S. economy (see Exhibit 2):

- Third quarter 1976 to second quarter 1978 (eight quarters)
- First quarter 1986 to first quarter 1988 (nine quarters)

- Second quarter 2009 to fourth quarter 2009 (three quarters)

1976 to 1978

After completion of the Trans-Alaska Oil Pipeline, the state entered its first recession, which lasted from the third quarter of 1976 through the second quarter of 1978. Although job losses were severe — the state had 17,000 fewer jobs in the third quarter of 1977 than in the same quarter a year earlier, a steep decline of 10 percent — that period lacked the somber mood that characterizes most recessions.

Alaskans knew roughly when the huge pipeline project would conclude and that many construction and related jobs would end then, too. That pill was easier to swallow because of the incredible growth during the pipeline construction years. The state's peak job count during pipeline construction was nearly 189,000 during the third quarter of 1976, up an extraordinary 85 percent from third quarter 1970's total of 102,000.

Although job numbers fell after completion, the state gave up just a fraction of the growth the project stimulated, and only temporarily. More precisely, pipeline construction jobs created thousands more that lasted long after the pipeline was completed.

Why exhibits 1 and 2 on the U.S., Alaska recessions look different

To illustrate how job losses always accompany recessions, Exhibit 1 shows U.S. recessions in the shaded areas and seasonally adjusted U.S. job counts from 1970 to 2015. However, we didn't replicate that graph for Alaska in Exhibit 2 for comparison.

First, Alaska's job numbers are harder to seasonally adjust because the state's economy is unusually seasonal, so it requires even more adjustment. Second, our seasonal patterns can shift when salmon don't arrive on time or when weather affects the length of construction seasons, so the adjustments are often initially too high or too low.

The point of seasonally adjusting data is to make underlying trends more apparent by smoothing out the line, but seasonally adjusting Alaska's data often has the opposite effect, with jumps and dips that can only be explained as data anomalies rather than real economic change.

One option would have been to look at the total number of Alaska jobs without seasonally adjusting them. But that would also be problematic because the seasonal ups and downs would distract from the central question: Is the state's economy expanding or contracting underneath the normal seasonal patterns?

What Exhibit 2 shows, rather than the actual job levels for Alaska, is the *change* in job counts from the same quarter in the previous year. That was the easiest way to identify periods of job loss in the state's history without extraneous information. What's lost is the actual number of jobs over that period, but that's secondary to our main purpose of identifying periods of job losses and gains.

Another point for the more technically minded is that the department works with the U.S. Bureau of Labor Statistics to produce two different sets of job numbers. The first, called the Current Employment Statistics program, surveys a sample of employers and uses that information to estimate jobs. The second, called the Quarterly Census of Employment and Wages, uses employment numbers that nearly all Alaska employers are required to provide as part of their quarterly unemployment insurance reporting.

The data in Exhibit 2 are from the QCEW program because that data set is much more reliable; it comes closer to being a full census count instead of a sample-based estimate. The monthly job estimates, published on both the BLS and state Web sites, is more current but is too volatile to depend on when identifying a state recession.

One final note on these sources: Once a year, we revise or "benchmark" the job estimates from the CES program using the more reliable QCEW data, so historical job numbers from both programs are reliable.

It would also be a mischaracterization to say that outsiders came to Alaska to build the pipeline and left when it was done. It's true that tens of thousands moved here to work on the pipeline or in related businesses — the state netted more than 55,000 people through migration from 1973 to 1976, a 16 percent jump — but the backflow was a much smaller 20,000 from 1977 to 1980, or a 5 percent loss.

Pipeline completion meant oil would soon start flowing, and with the high oil prices of the 1970s, that meant unprecedented new wealth for the state.

Therefore, despite the large job count decline, "recession" hardly seems the right word for that period. In some ways it resembled the 1945 national recession that came after World War II ended and the huge demand for military weapons dried up. Though jobs disappeared and economic upheaval and transition followed, in both cases the underlying causes were mostly welcome.

1986 to 1988

The Alaska recession of the late 1980s, on the other hand, was fully charged with the misery typically associated with recessions. As is often the case, this recession was a corrective response to parts of the

economy overheating. New oil revenue gave the state money to spend on capital projects and government operations, and budgets ballooned. Residential and commercial construction swelled and despite big increases in supply, home prices jumped by more than 50 percent from 1980 to 1985.

Oil prices eventually plunged, state spending was slashed, foreclosures piled up, banks failed, and net migration turned sharply negative. By the time losses wound down in the third quarter of 1987, the state's job count had shrunk by about 20,000, a three-year drop of 8 percent.

For perspective, the total job loss for the U.S. economy in the Great Recession of 2007-2009, easily the biggest since the 1930s Great Depression, was a little over 6 percent.

2009

A third type of recession nudged Alaska's numbers into the red for three consecutive quarters in 2009. Unlike the two previous state recessions, which had specific Alaska causes, this one was solely due to external forces. The losses were severe for the country as a whole but mild for Alaska, and state growth quickly resumed in the first quarter of 2010.

Population losses during state recessions

An important element of Alaska recessions that's a nonfactor nationally is population loss, because it's much easier to migrate from one state to another than to migrate to or from the United States.

Alaska's yearly interstate migration flows are especially large as a percentage of our population to start with. As many as 50,000 people migrate both to and from Alaska every year.

During two of the three recessions identified on page 6, the combination of more people leaving and fewer arriving caused the state's population to temporarily drop. From 1977 to 1978, 13,414 more people left Alaska than arrived, leading to an overall population loss of 6,400 people. (The other factor in population change is natural increase, or births minus deaths, which has been positive since at least 1945.)

During the recession of the 1980s, Alaska's net migration losses were over three times larger than they were in the 1970s recession. From July 1985 to June 1989, the state lost a little more than 44,000 people through net migration. However, the state's total population over that period fell by

just 5,000, because natural increase again offset most of the migration loss.

Because the state had a much younger population during the 1980s, birth rates were even higher and death rates lower, which helped reduce overall loss. From 1985 to 1986, for example, almost six times as many people were born than died (12,556 births to 2,110 deaths). From 2014 to 2015, the ratio of births to deaths had shrunk to 2.6 (11,327 births to 4,282 deaths).

During the third recession, in 2009, Alaska actually gained population when about 8,500 more people moved here than left from 2008 to 2009 as the national economy faltered. That highlights an important point about the effect an impending Alaska recession might have on the state's population: The relative economic health of the rest of the country matters.

During the 2009 recession, although Alaska's job market was weak, it was much stronger than almost every other state. That meant Alaskans had less incentive to leave looking for sunnier skies and healthier job markets, and newly unemployed workers from other states had more incentive to move to Alaska. Today, although laid-off Alaska oil and gas workers would be unlikely to find better prospects in other states, workers in other Alaska industries probably would.

Tourism, construction, and a handful of other parts of the private sector lost jobs, but the government sector remained stable. Because the recession was deep and national, the federal government extended unemployment benefits, spent heavily on projects meant to stimulate growth, and increased funding for job training programs.

As a result, Alaska's economy got a boost even though it was never in serious distress, unlike states where the housing bubble was pronounced. In that sense, Alaska was like a patient with a mild flu who received a strong dose of medicine formulated for sicker people.

In 2016, the situation is very different. The cure to Alaska's more serious economic woes will have to come mostly from inside the state.

Is Alaska currently in a recession?

Coming full circle, the answer to whether Alaska is in a recession now is that it's still too early to tell, given data limitations and the proposed definition of three consecutive quarters of job losses. Reliable job numbers are available through the third quarter of 2015, and they show the state was still adding jobs at a very modest rate, at least up to that point.

The soonest a recession could have begun would be the fourth quarter of 2015. Preliminary job numbers suggest growth nearly dried up in the fourth quarter. Oil jobs began falling after holding steady longer than elsewhere in the country, and state government job counts were already down by more than 1,000 and expected to fall further.

Whether the expected recession is eventually determined to have begun in the fourth quarter of 2015 or the first quarter of 2016, the writing is on the wall in the form of low oil prices, declining oil production, and a large state government budget gap.

Why it matters

What difference does it make, in the end, whether the state is already in a recession or about to enter one? The specific determinations of when a recession begins and ends and how we should define them in Alaska are academic and subject to judgment calls — but the exercise gets at the underlying issue, which is identifying whether an economy is growing or shrinking.

Perceptions, accurate or not, clearly affect the decisions of consumers, businesses, and governments. People think differently about whether to buy or sell a house, for example, or start a business. Businesses reassess hiring and investing. And governments think

differently about how their decisions to increase or decrease spending will affect the economy.

Another reason identifying recessions matters is that they tend to follow the same patterns. Heading into a recession is predictably unsettling — like the feeling of falling into a hole before knowing how deep it is — but it's important to know that recessions tend to have short life spans.

None of the U.S. recessions since the 1970s lasted longer than 18 months, and the longest of the three Alaska recessions was just over two years. Whether through policy changes or the self-correcting mechanisms of markets, recessions are the exception rather than the rule. It's far more common for an economy to be expanding than contracting.

Alaska has substantial economic assets and there's no reason to think the state's long-term economic future is bleak. But that doesn't mean a recession will be

easy, short, or pain-free.

Factors outside the state's control will play a part in a recession's duration and severity, with oil prices at the top of that list, but the state has an unusual amount of influence over its short-term economic future.

How and when Alaska deals with issues that *are* within its control will play a major role in shaping a likely recession and recovery. Alaska's modern economy has always been based on its resource wealth, and that isn't likely to change in the near future. What the state is wrestling with now is how much it will continue to rely on oil revenue to fund state government, the size of its state government, and the best way to leverage its significant savings for both its short-term and long-term interests.

Dan Robinson is chief of the Research and Analysis Section and is a Juneau economist. Reach him at (907) 465-6040 or dan.robinson@alaska.gov.

Why GDP isn't a good indicator for determining state recessions

Given the important role gross domestic product plays in determining U.S. recessions, why not use GDP by state to help define Alaska recessions? The main reason is GDP for Alaska, defined as the national prices for the goods and services produced within the state, tends to rise and fall with oil prices, and short-term declines in oil prices don't necessarily cause a "significant decline in economic activity that spreads across the economy."

Many oil companies operating in Alaska are international and publicly traded, and when oil prices rise or fall, much of the initial benefit or loss goes to company operations and shareholders outside the state. Ultimately, those price fluctuations affect economic activity within the state — for example, increases or decreases in exploration and development as well as oil-related state revenue — but not nearly to the degree that the GDP numbers rise and fall.

A few examples are helpful. From the second quarter of 2008 to the first quarter of 2009, Alaska's GDP (in 2009 dollars) rose 18 percent due to an oil price spike. Meanwhile, the state gained a modest 1.3 percent in employment and then lost 0.4 percent in 2009 as a result of the national recession. Looking at just the GDP data would have given the false impression the state was in a boom in 2008 and 2009.

Then when oil prices fell, state GDP dropped by 9 percent from the first quarter of 2009 to the first quarter of 2010: a much larger dip than jobs, wages, income, or any of the other measures of broad economic activity over that period.

Even if GDP were used in combination with other economic indicators to identify state recessions, the exaggerated influence oil prices have on Alaska's GDP would be problematic. For now, we believe the simplicity of defining a recession by sustained job loss is the better approach.

Government Jobs Vary by Area

Alaska has a high share of jobs in public sector, especially in rural areas

By **LENNON WELLER**

Government represented 80,188 jobs in Alaska in 2014, or 23.8 percent of total employment. That's a significant slice of the state's economy and considerably higher than the national average of 15.4 percent.

Though the number of government jobs in Alaska has grown, their percentage of total employment has decreased by about two percentage points since 2005 because the private sector has grown faster.

The public sector share of total wages also declined

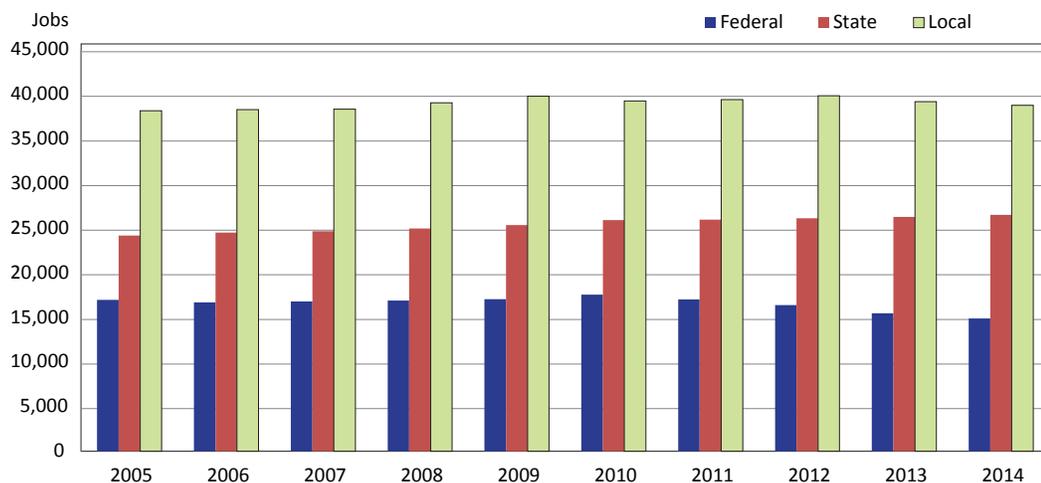
over that period, by 3.4 percentage points, to \$4.37 billion in 2014. Part of that shift is due to an increase in average yearly wages in the private sector, which were \$52,300 that year. The proportions of federal, state, and local government employment have also shifted, with higher-paying federal jobs declining as a percent of the total. In 2014, average federal wages were \$76,100, while state and local government paid \$54,800 and \$46,000, respectively.

Different in rural, urban areas

While the statewide figures give a picture of overall

1 Government Job Proportions Have Remained Steady

ALASKA, 2005 TO 2014



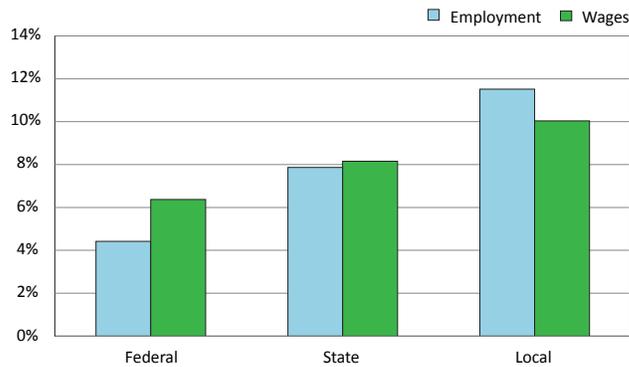
Note: Local government includes tribal government.

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

2

Jobs, Wages Mostly Local

ALASKA, 2014



Note: Local government includes tribal government.
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

trends, the jobs and wages at the borough and census level-area look very different around the state, with some areas' economies relying heavily on government jobs. For example, total government employment ranges from a low of 12.9 percent in the North Slope Borough, home to most of the state's oil and gas jobs, to 68.3 percent in Kusilvak Census Area, a vast and sparsely populated area in western Alaska.

For most boroughs and census areas, local government is the largest share of their government employment, especially in rural places such as Denali Borough and the Southeast Fairbanks and Hoonah-Angoon census areas, because local government tends to provide

basic services such as public school. Local government also includes tribal government, which makes up about 9.5 percent of local government in Alaska.

The exception is the capital city, Juneau, where state government is the largest by far, at 24 percent of its total jobs and 61 percent of its government employment.

The presence of local government tends to have a large rural-urban disparity. Seventeen of the 29 areas have less than 20 percent local government, with Anchorage, Fairbanks, and Juneau having the least. Nine areas have 30 percent or more, with four of those topping 40 percent. Small and geographically dispersed areas tend to have little commercial activity and rely on local government for job opportunities. It also takes proportionately more resources and personnel to

deliver services across large distances and to smaller populations.

Anchorage has the most public jobs in all categories

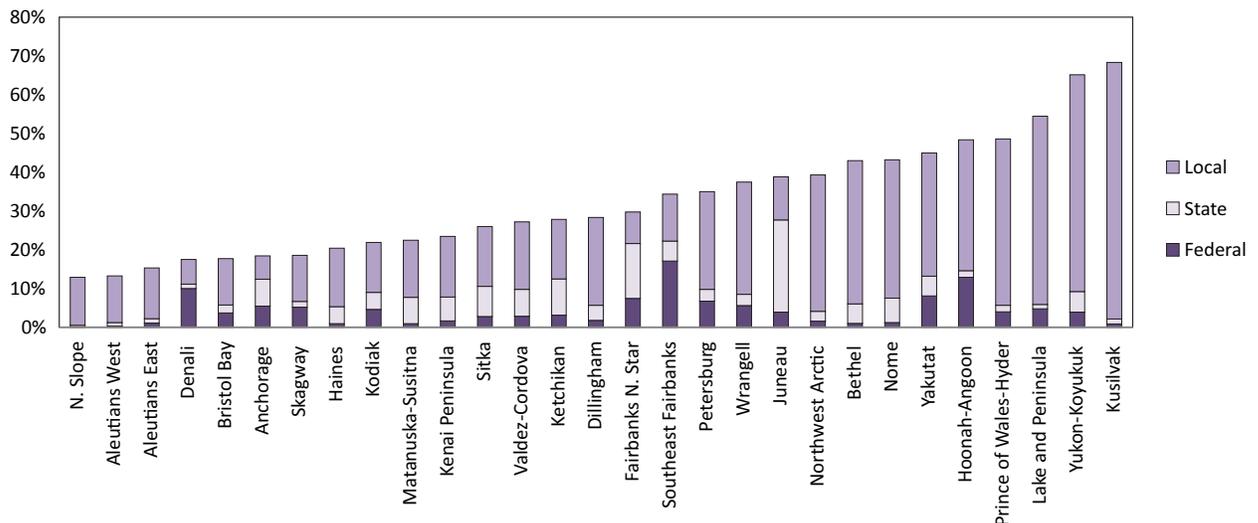
Anchorage is the economic center of the state, with the most people by far and the greatest number of private-sector jobs. It also has the most government employment, though Juneau is often considered the

Continued on page 13

3

Breakdown of Government Employment by Area

ALASKA, 2014



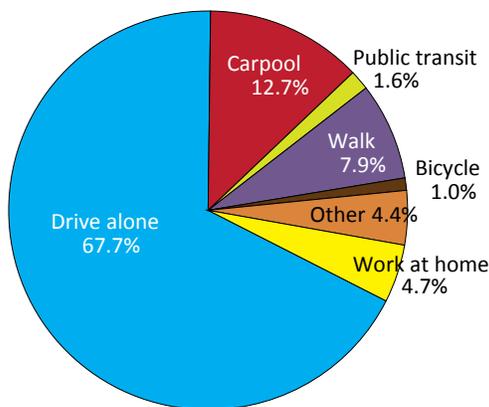
Note: Local government includes tribal government.
 Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

How Alaskans Get to Work

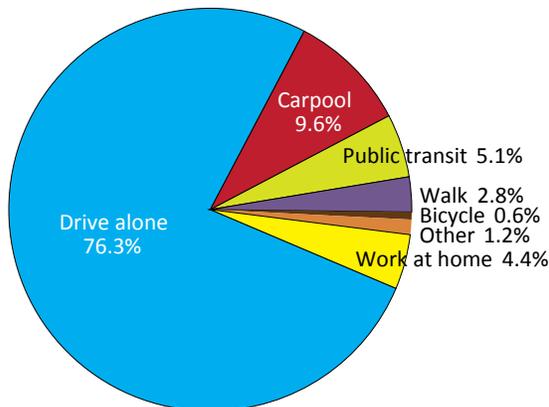
More people walk, few take public transit

1 Less Driving in Alaska COMMUTING METHODS, 2014

Alaska



United States



Sources: U.S. Census Bureau, American Community Survey

By **CONOR BELL**

With one person per square mile, Alaska has the lowest population density in the nation by far. But even with these vast expanses, Alaskans are more likely to walk to work than other Americans, and we also tend to have shorter commutes.

Rural Alaskans rely much more on walking and other uncommon ways to get to work, such as snow machines, boats, or planes. Workers in the largest population centers – Anchorage, the Matanuska-Susitna Borough, and Fairbanks – commute in similar ways to the rest of the U.S., although with the exception of Mat-Su, even urban Alaskans have reduced travel times.

Most Alaskans drive

Though Alaskans rely less on cars, driving is still the chosen method for a sizable majority, with 68 percent driving themselves to work and another 13 percent carpooling. (See Exhibit 1.) Alaska had 709,751 cars and pickup trucks registered as of 2014, close to the total number of residents. Driving is more common in urban areas, whereas in most rural areas, less than half of workers drive.

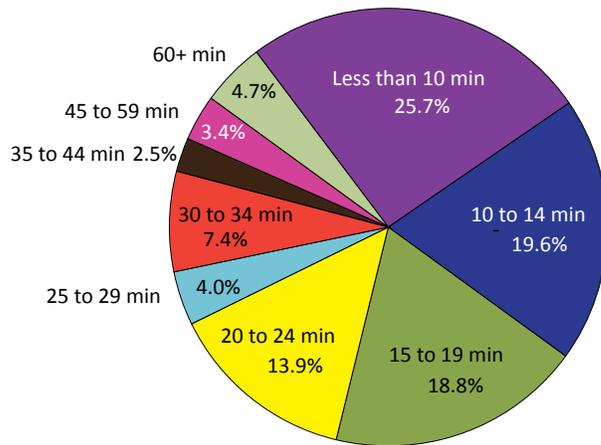
Eight percent of Alaskans walk to work, over twice the U.S. average, mostly due to over half of rural workers walking. People working in seafood processing often live in dormitories at or near their jobs, making them especially likely to walk. In Anchorage, just 3 percent of workers walk.

Rates of commuting by public transportation are low throughout Alaska. Rural areas don't have the demand or infrastructure for a bus system. While Anchorage, Fairbanks, and Mat-Su have the population size to support public transit, their commuting rates are still less than half the national average. Only Juneau residents

2

Most People Have Short Commutes

ALASKA, 2014



Sources: U.S. Census Bureau, American Community Survey

Average By Area

United States	25.7 minutes
Alaska	18.9 minutes
Anchorage	19.4 minutes
Mat-Su	33.6 minutes
Fairbanks	19.4 minutes
Juneau	14.8 minutes
Bethel	7.4 minutes

rode the bus at a rate comparable to the United States as a whole, both at about 5 percent.

Another 1 percent of Alaskans bike to work, which is slightly higher than the national average.

A few unconventional options

Alaskans stand out for a handful of unconventional commutes. Four percent of Alaskans use other methods, over three times the nation's rate. For the rest of the U.S., "other methods" almost always means motorcycles or taxis. In Alaska it often means by plane, typically to the North Slope. Three-quarters of Alaska residents working in the North Slope Borough live elsewhere in the state.

Other methods in Alaska include boats, four-wheelers, and snow machines. Nearly 50,000 snow machines were registered in Alaska in 2014.

Alaskans' commutes shorter

The average commute time for Alaskans was 19 minutes each way, versus 26 minutes nationally. Travel time has remained steady in Alaska, increasing by only two minutes since 1980. Over a quarter of residents have commutes shorter than 10 minutes. (See Exhibit 2.)

Alaskans are mostly spared the longest commutes common elsewhere; just 18 percent have commutes over 30 minutes one way and 5 percent have commutes over an hour. Mat-Su residents are the outlier. Because it's common to commute to Anchorage, 22 percent spend over an hour getting to work.

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GOVERNMENT JOBS

Continued from page 11

government center.

Anchorage has a relatively small percentage of its employment in local government, but it still has the highest number of these jobs because of the larger population being served — for example, more teachers are necessary for a higher number of students.

Anchorage also holds the largest share of federal and state government jobs. In 2014, the municipality had 8,437 federal jobs and 10,776 state jobs. Those numbers represent 56.6 percent and 40.6 percent of the state's total federal and state employment, respectively.

Juneau had 708 federal and 4,269 state government jobs in 2014, which ranked the city and borough third behind Fairbanks for its share of Alaska's federal and state employment. Although Juneau is the capital, the state's university system has a larger presence in Anchorage and Fairbanks, and some state services such as transportation and social services are in higher demand in the two larger cities.

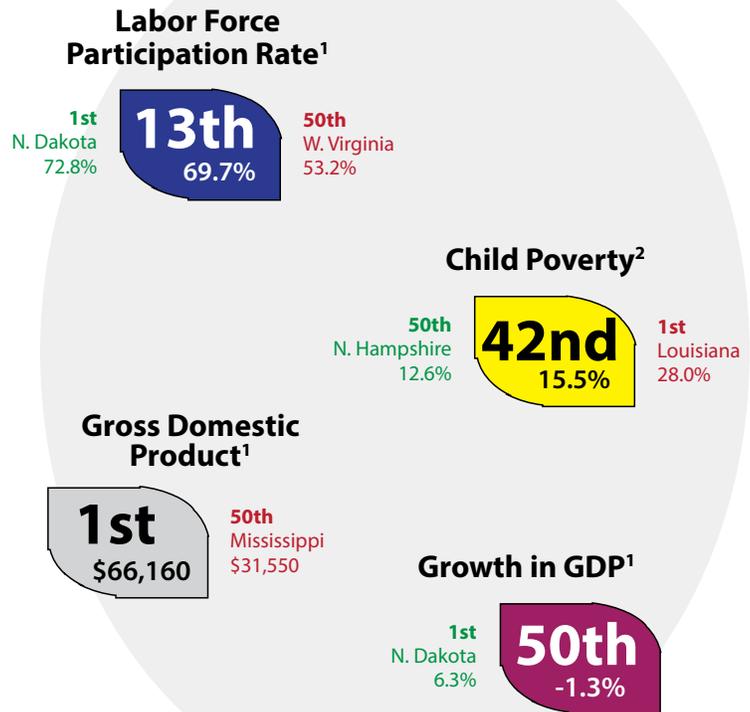
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The Month in Numbers

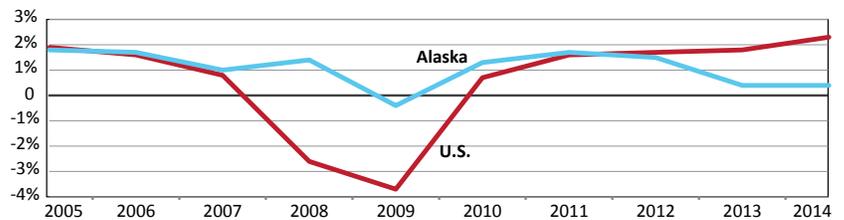
Area Unemployment Rates

	Prelim.		Revised	
SEASONALLY ADJUSTED	12/15	11/15	12/14	
United States	5.0	5.0	5.6	
Alaska Statewide	6.5	6.4	6.4	
NOT SEASONALLY ADJUSTED				
United States	4.8	4.8	5.4	
Alaska Statewide	6.6	6.4	6.4	
Anchorage/Mat-Su Region				
Municipality of Anchorage	4.9	4.9	4.6	
Matanuska-Susitna Borough	8.1	7.7	7.5	
Gulf Coast Region				
Kenai Peninsula Borough	8.4	7.9	7.8	
Kodiak Island Borough	6.8	5.0	6.5	
Valdez-Cordova Census Area	10.4	10.0	10.6	
Interior Region				
Denali Borough	19.4	17.2	19.3	
Fairbanks North Star Borough	5.6	5.5	5.5	
Southeast Fairbanks CA	11.5	11.2	12.0	
Yukon-Koyukuk Census Area	17.2	16.8	17.6	
Northern Region				
Nome Census Area	10.8	10.3	10.1	
North Slope Borough	4.7	5.7	4.9	
Northwest Arctic Borough	14.8	14.1	13.5	
Southeast Region				
Haines Borough	13.2	11.2	12.7	
Hoonah-Angoon Census Area	17.6	16.3	19.0	
Juneau, City and Borough	4.7	4.7	5.0	
Ketchikan Gateway Borough	7.5	7.5	7.7	
Petersburg Borough	10.5	9.4	10.6	
Prince of Wales-Hyder CA	12.5	12.2	13.2	
Sitka, City and Borough	5.5	5.0	5.4	
Skagway, Municipality	22.6	20.7	21.9	
Wrangell, City and Borough	9.5	8.5	10.1	
Yakutat, City and Borough	10.9	10.5	10.7	
Southwest Region				
Aleutians East Borough	6.2	5.1	6.5	
Aleutians West Census Area	5.9	3.9	7.1	
Bethel Census Area	13.5	12.5	13.8	
Bristol Bay Borough	10.9	12.4	14.5	
Dillingham Census Area	11.0	10.9	10.4	
Kusilvak Census Area	20.6	19.5	20.8	
Lake and Peninsula Borough	14.1	13.9	14.8	

How Alaska Ranks



Job Growth in Alaska and the Nation³



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.

¹2014

²December 2015

³Annual average percent change

Safety Minute

Walk differently to avoid slipping on ice this winter

Working in Alaska's winter weather can be challenging. Just walking from the parking lot and between buildings requires special attention to avoid slipping and falling. Statistics show that slips and falls during the winter are some of the most frequent types of injuries. Here's how to stay upright outside this winter.

- Assume that all wet, dark areas on pavements are slippery and icy, and approach them with caution.
- Wear boots or shoes with grip soles. Slick leather or plastic soles will increase the risk of slipping. Ice cleats are appropriate personal protective equipment for employees required to work in icy conditions and are excellent for maintaining traction on icy surfaces.
- Point your feet out slightly, like a penguin. Spreading your feet out while walking on ice increases your center of gravity.
- Bend slightly and walk flat-footed with your center of gravity directly over the feet as much as possible.
- Extend your arms out to your sides to maintain balance. If you must carry a load, try not to carry too much; leave your hands and arms free to balance yourself.
- Keep your hands out of your pockets. Hands in your pockets while walking decreases your center of gravity and balance. If you do start to slip, you can help break your fall if your hands are free.
- Watch where you are stepping and go slowly. This will help you react to changes in traction.
- Take short steps or shuffle for stability. It also helps to stop occasionally to break momentum.

Call (800) 656-4972 or visit labor.alaska.gov/lss/osh-home.htm to learn more about winter safety or to find out more about providing a safe and healthful workplace for Alaskans.

Safety Minute is written by the Labor Standards and Safety Division, Alaska Occupational Health and Safety Consultation and Training Program of the Alaska Department of Labor and Workforce Development.

Employer Resources

Rapid Response helps workers, employers during layoffs

Rapid Response is a federally funded program that serves communities, businesses, and workers facing economic and industry changes or natural disasters that may lead to layoffs. Providing Rapid Response services to your workers during layoffs or plant closures will benefit you as well as your workers. The Rapid Response team connects employers with community resources and helps employers and workers in transition succeed. The more quickly you implement the Rapid Response strategy for impending layoffs, the better off your company and workers will be.

Benefits to Employers

- Higher productivity and worker morale and lower absenteeism during layoff periods
- Lower unemployment insurance costs as workers are re-employed quicker when services begin before layoffs
- Better public relations for an employer, as Rapid Response teams can work with media to highlight services an employer is providing

Benefits to Employees

- Informational worker meetings
- Alaska Job Center services
- Career counseling and job search assistance
- Resume preparation and interviewing skills workshops
- Information on the local labor market
- Unemployment Insurance
- Job training, if eligible
- Information on Medicaid and public assistance
- Financial information, and more

For more information, go to jobs.alaska.gov/RR or contact Lisa Mielke at (907) 465-6275 or lisa.mielke@alaska.gov at the Alaska Department of Labor and Workforce Development.

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