

ALASKA ECONOMIC **TRENDS**

JANUARY 2011

Employment Forecast for 2011

WHAT'S INSIDE

Employment Scene

Unemployment rate at 8.0 percent in November



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Governor Sean Parnell
Commissioner Click Bishop

ALASKA ECONOMIC TRENDS



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Governor Sean Parnell
Commissioner Click Bishop

January 2011
Volume 31
Number 1
ISSN 0160-3345

Brynn Keith, Chief
Research and Analysis

Sara Whitney, Editing and Graphics
Sam Dapcevich, Cover Design

To contact us for more information, a free subscription, mailing list changes, or back copies, e-mail trends@alaska.gov or call (907) 465-4500.

Alaska Economic Trends is a monthly publication dealing with a wide variety of economic-related issues in the state. Its purpose is to inform the public about those issues.

Alaska Economic Trends is funded by the Employment Security Division within the Alaska Department of Labor and Workforce Development. It's published by the Department of Labor.

Alaska Economic Trends is printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$1.37 per copy.

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

Cover:
Aerial photo of rivers near Circle by Dr. Travis Nelson, who teaches at the Center for Pediatric Dentistry in Seattle. Dr. Nelson visited Alaska in May 2010 to provide outreach dental care to children in Venetie, Circle, and Fort Yukon. He took the photo en route to Circle from Venetie.

Correction

On page 14 of the October 2010 issue of *Trends*, the y-axis on Exhibit 4 should read millions, not billions. The online version has been fixed.

To contact *Trends* authors or request a free subscription, e-mail trends@alaska.gov or call (907) 465-4500. *Trends* is on the Web at laborstats.alaska.gov.

| | |
|---|----|
| Economic Forecast for 2011 | 4 |
| Statewide | 4 |
| Anchorage | 8 |
| Fairbanks | 12 |
| Southeast | 16 |
| Employment Scene | 20 |
| Unemployment at 8.0 percent in November | |

Trends Authors



Alyssa Shanks, statewide economist for the Alaska Department of Labor in Anchorage, specializes in the employment and wages of the Interior, Gulf Coast, and Northern economic regions. To reach her, call (907) 269-4863 or e-mail her at Alyssa.Shanks@alaska.gov.



Neal Fried, a Department of Labor economist in Anchorage, specializes in the Anchorage/Mat-Su region's employment, wages, and the cost of living. To reach him, call (907) 269-4861 or e-mail him at Neal.Fried@alaska.gov.



Mali Abrahamson, a Department of Labor economist in Juneau, specializes in the employment and wages of the Southeast and Southwest economic regions. To reach her, call (907) 465-6037 or e-mail her at Annemali.Abrahamson@alaska.gov.



Alaska faring better than most states

By Commissioner Click Bishop

This month's *Trends* focuses on our 2011 economic forecast. While Alaska felt the effects of the national economic recession, we fared much better than most states. Employment levels recovered and for the second year in our history, Alaska's unemployment rate was lower than the nation's.

At this time last year, we reported a 2009 loss of 2,100 jobs and predicted a loss of 1,400 jobs in 2010. What a difference a year makes. I'm happy to report that although our unemployment rate has hovered around 8 percent, our economists estimate Alaska added 1,900 jobs between 2009 and 2010.

Our prediction for 2011 is similar to the 2010 estimate: modest growth of 1,800 jobs. Alaska, as we often say, is not like the Lower 48. That difference is particularly evident in the economic structure that has kept us in good shape — strong oil and commodity prices, rising fish prices, and recovering tourism, among others.

Growing our economy by accessing Alaska's natural resources will help create paths of opportunity for Alaskans. Alaska Department of Labor and Workforce Development staff are forging partnerships with industry and education to provide Alaska with workers for the future. We are connecting current job seekers with employers, and improving our services to prepare unemployed and underemployed workers. We are also working harder to close the gap by training Alaskans for the high-paying jobs that currently go to nonresidents.

The Trade Adjustment Assistance program has helped retrain workers who have been displaced by trade-affected layoffs. Between 1997 and 2005, foreign trade affected more than 119 companies in Alaska, including those in the oil, timber, and fishing industries.

More than 10,000 Alaska workers are still eligible for TAA services to train for new jobs. The Department of Labor notifies workers of their eligibility; but even if layoffs are decades old, TAA benefits never expire.

Another successful program allows employers to work with the nearest job center specialist to create customized hands-on training that results in full-time permanent work. On-the-Job Training reimburses an employer for a significant percentage of a trainee's wages. A business gets the benefits of wage reimbursement, training to meet specific needs, and lower employee turnover. The trainee becomes fully qualified for the job through the custom training.

We encourage all Alaskan job seekers to visit the Alaska Job Center Network at one of 23 statewide job centers or online at jobs.alaska.gov, or call (877) 724-2539. Alaska job centers offer comprehensive employment resources including ALEXsys (Alaska's free online job bank) for conducting local or statewide job searches, WorkKeys skills assessments to help determine job readiness, and reemployment services to help choose the best career path.

Employment Forecast for 2011

Alaska's regional and statewide outlook



2010. (See Exhibits 1 and 2.)

The outlook is similar for 2011: There will be a bit of growth, with some industries in a holding pattern while most make incremental moves in both directions. (See Exhibit 3.)

Modest growth ahead this year

By NEAL FRIED and ALYSSA SHANKS, Economists

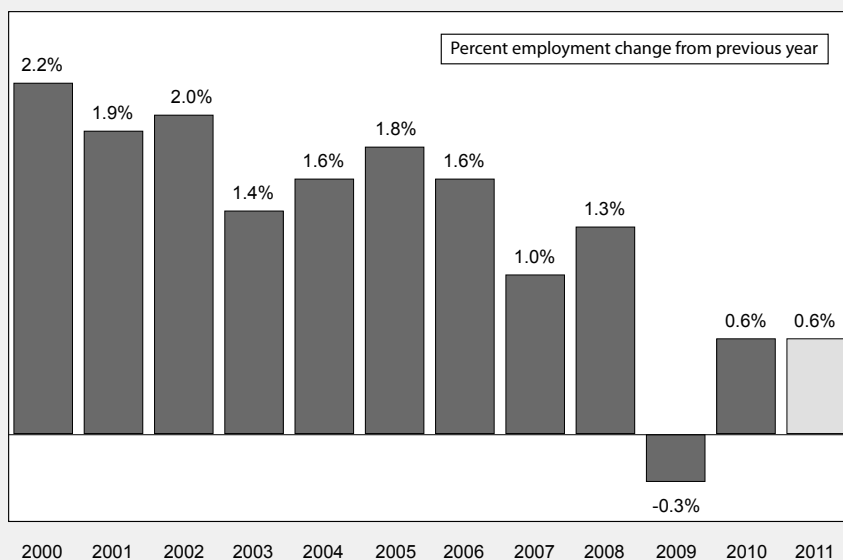
The national recession created some unusual times in Alaska over the last three years. Initially, the state's economy kept growing while the nation shed a record number of jobs. Then, in 2009, Alaska put to bed its 21 years of uninterrupted employment growth and appeared to follow the national downturn. However, its overall employment levels quickly began to recover in

Some Alaska industries that lost ground in 2010 could begin to recover in 2011, but others will probably decline. For example, the public sector was a positive force in 2010, but that's unlikely for 2011. Conversely, tourism-related industries whose performance was subpar last year are positioned to lift Alaska's economy in 2011.

Although most state governments around the nation will continue to struggle with funding and budget cuts this year, Alaska is and will remain fiscally sound.

1 Job Growth Continues After Brief Dip

Alaska forecast for 2011



Note: 2010 is a preliminary estimate, and 2011 is a forecast.

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

We're thanking our lucky stars

Alaskans have felt fortunate for our relative economic well-being over the past three years. Even through rising unemployment and increasing difficulty making a profit and finding jobs, it's been a cake walk compared to our national brethren. One could argue that Alaska nearly skipped the recession — or as one Alaskan economic analyst said, it was a “glancing blow.”

While the nation lost 7.5 million wage and salary jobs from December of 2007 to June of 2009 (the recession's official dates), Alaska grew a bit overall. Alaska's redemption was the structure of our economy; it is dissimilar enough to the rest of the U.S. that Alaska wasn't swept up in the nationwide furor.

The question is what comes next, and whether the forces that helped us through the worst of the past recession will help us grow and prosper in the future.

High commodity prices are a big strength

Many of Alaska's strengths will continue to help us in 2011, including strong oil and commodity prices. Oil averaged \$78 per barrel (the second highest on record) in 2010 and the Alaska Department of Revenue forecasts high prices again for 2011. (See Exhibit 4.) These provide big profits for the industry, and a hope for continued future investment to keep state government finances healthy.

Strong commodity prices also benefit Alaska's mining industry. Gold prices exceeded \$1,400 per ounce in mid-November, and most other mineral prices remain at healthy levels. (See Exhibit 5.) During the past ten years, mining has been one of the state's stellar employment performers, growing by over 40 percent compared to 14 percent for the overall wage and salary workforce.

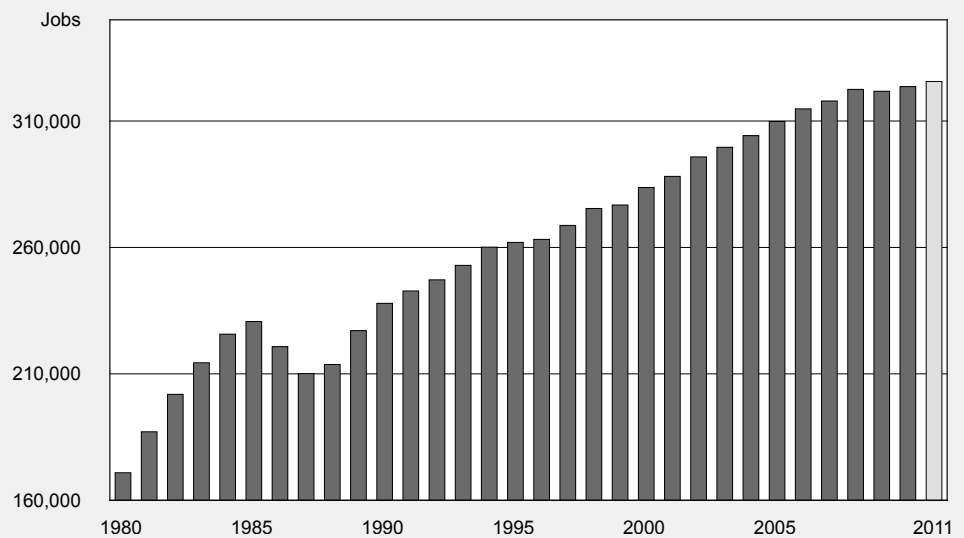
Mining employment will continue to grow in 2011, which will be the first full year of operations for the Kensington Mine, just outside of Juneau. High mineral prices also encourage investment in a growing number of small and medium-sized operations in the state, and continued interest from mining companies around the world.

Fishing buoys the economy

The fishing industry is one of Alaska's oldest economic stalwarts. Employment in Alaska's fisheries has steadily recovered since its rock-bottom days in 2002.

Salmon harvest earnings have also grown continuously since the dark days of the early 2000s, hitting an 18-year high in 2010. Rising fish prices and healthy catches buoy Alaska's economy, and

Year-to-Year Employment Changes Alaska, 1980 to 2011 **2**



Note: 2010 is a preliminary estimate, and 2011 is a forecast.

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

these positive trends should continue into 2011.

Federal budget looks healthy for now

Although talk rages of major federal budget cuts, the U.S. government will remain a solid player in Alaska's economy in 2011, with federal spending likely to remain near current levels.

The military and federal construction funds are among the bright spots in Alaska's economy. However, there is little doubt that the state will feel the pain of cuts in the future as the federal government turns down the flow of dollars to help the nation deal with the deficit. How much and how quickly it will happen remains unknown, but it isn't far off.

U.S. recovery helps tourism, cargo

The recovering national and global economy is already providing pluses for Alaska's economy, and the visitor industry is a big beneficiary.

Signs of recovery were evident in 2010. Despite the loss of cruise ship passengers, the number of independent travelers grew and should continue

3 Alaska Wage and Salary Employment Forecast

Forecast for 2011

| | 2009 Monthly Average | 2010 Monthly Average ¹ | Change 2009 to 2010 | Percentage Change 2009 to 2010 | 2011 Monthly Average | Change 2010 to 2011 | Percentage Change 2010 to 2011 |
|--|----------------------------|---|---------------------------|--------------------------------------|-------------------------|---------------------------|--------------------------------------|
| Total Nonfarm Wage and Salary ² | 321,700 | 323,600 | 1,900 | 0.6% | 325,400 | 1,800 | 0.6% |
| Natural Resources and Mining | 15,200 | 14,400 | -800 | -5.3% | 14,400 | 0 | 0.0% |
| Oil and Gas | 12,800 | 11,800 | -1,000 | -7.8% | 11,700 | -100 | -0.8% |
| Construction | 16,200 | 16,100 | -100 | -0.6% | 16,100 | 0 | 0.0% |
| Manufacturing | 12,800 | 12,800 | 0 | 0.0% | 12,800 | 0 | 0.0% |
| Seafood Processing | 9,100 | 9,100 | 0 | 0.0% | 9,100 | 0 | 0.0% |
| Trade, Transportation, and Utilities | 63,200 | 62,900 | -300 | -0.5% | 63,000 | 100 | 0.2% |
| Retail Trade | 35,600 | 35,500 | -100 | -0.3% | 35,500 | 0 | 0.0% |
| Transportation, Warehousing, and Utilities | 21,300 | 21,100 | -200 | -0.9% | 21,200 | 100 | 0.5% |
| Information | 6,600 | 6,400 | -200 | -3.0% | 6,300 | -100 | -1.6% |
| Financial Activities | 14,700 | 14,800 | 100 | 0.7% | 14,900 | 100 | 0.7% |
| Professional and Business Services | 26,200 | 26,000 | -200 | -0.8% | 25,900 | -100 | -0.4% |
| Educational ³ and Health Services | 39,800 | 41,900 | 2,100 | 5.3% | 43,600 | 1,700 | 4.1% |
| Health Care | 28,700 | 30,100 | 1,400 | 4.9% | 31,200 | 1,100 | 3.7% |
| Leisure and Hospitality | 31,200 | 31,200 | 0 | 0.0% | 31,300 | 100 | 0.3% |
| Other Services | 11,500 | 11,900 | 400 | 3.5% | 12,000 | 100 | 0.8% |
| Government | 84,300 | 85,200 | 900 | 1.1% | 85,100 | -100 | -0.1% |
| Federal Government ⁴ | 17,100 | 17,400 | 300 | 1.8% | 17,200 | -200 | -1.1% |
| State Government ⁵ | 25,400 | 26,100 | 700 | 2.8% | 26,300 | 200 | 0.8% |
| Local Government ⁶ | 41,800 | 41,700 | -100 | -0.2% | 41,600 | -100 | -0.2% |

¹ Preliminary estimate

² Excludes self-employed workers, fishermen, domestic workers, unpaid family workers, and nonprofit volunteers

³ Private education only

⁴ Excludes uniformed military

⁵ Includes the University of Alaska

⁶ Includes public school systems

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

to rise in 2011. Returning cruise ship traffic and more confident American consumers will mean more visitors and more generous spending than Alaska's visitor industry has seen in the past two years. Visitor bureaus around the state also forecast more national conventions for 2011.

Another beneficiary of the recovering national and global economy is Alaska's international cargo business. This industry took a big hit during the recession, but it mostly recovered by spring of 2010, and it appears to be on a growing path for 2011.

The improving confidence of the American consumer is another positive for air cargo, although it's more difficult to measure. If it includes the average Alaskan, the mood could boost our consumer sectors and the real estate market.

Weaknesses may weigh heavier

The state's weaknesses are mostly beyond the 2011 forecast horizon, but are near enough to hamper economic growth in the present. Two of these weaknesses have previously been strengths that helped the economy plow through the recession with minimal collateral damage. One is the federal government, as mentioned earlier. The other is the oil industry.

Less oil production means more risk

Declining oil production has been an economic liability for more than 20 years, and production has fallen to a third of its original flow, raising the near-term economic risk. So far, oil prices and budget reserves have come to the rescue. But the broader growing problem of low production

increases uncertainty and inhibits potential economic growth.

Natural gas prices are low

The one commodity price weighing down Alaska's economy is the price of natural gas, which has been depressed by the huge discoveries of shale gas and other gas fields around the nation. Low prices make the Alaska natural gas pipeline a challenging prospect, and could push its construction and production further into the future.

Job market will stay competitive

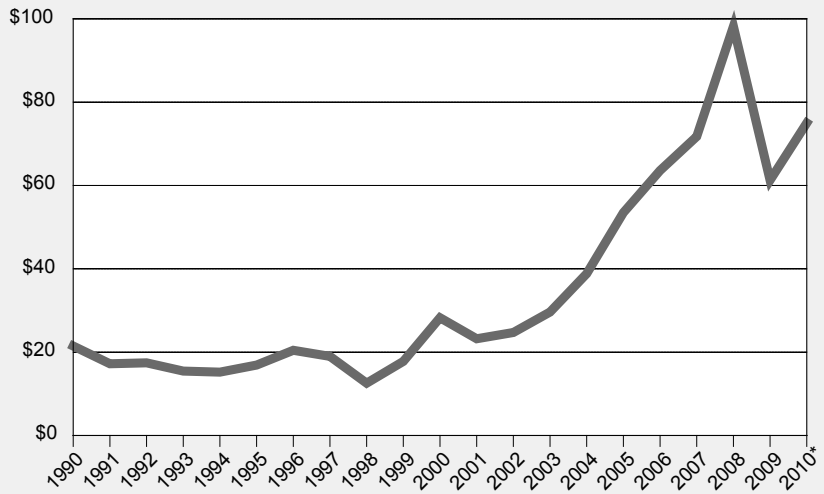
The years of worker shortages and easy-to-find jobs that typified Alaska's labor market just two years ago seem long gone. The job seeker's market quickly became an employer's market. Alaska's unemployment rate for the first three quarters of 2010 was 8.1 percent, the highest in over two decades.

The good news is the rate began to improve later in the year and was an average of 1.6 points lower over the first 11 months of 2010 than the national rate. Last year marks the second year in Alaska's history that its jobless rate was lower than the nation's. However, though it will remain a challenge to land a job in Alaska this year, our job market will probably remain better than many.

High Oil Prices Buoy Economy **4**

Alaska, 1990 to 2010

ANS oil prices per barrel



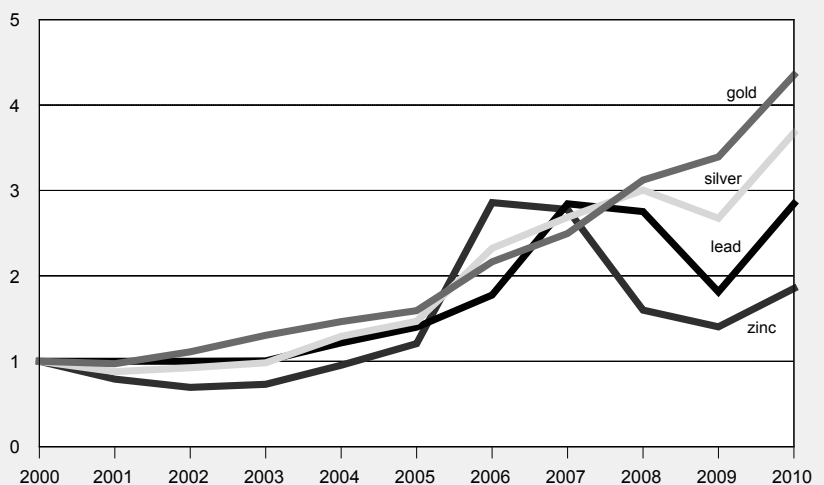
*Forecast

Source: Alaska Department of Revenue

Strong Commodity Prices **5**

Alaska, 2000 to 2010

Index values



Index based on prices from August 15, 2010.

Source: U.S. Geological Survey



Incremental changes in 2011

Total employment in Anchorage changed by less than 1 percent during each of the past two years, and the 2011 forecast is comparable. (See Exhibits 11 and 12.)

In nearly all cases, projected changes in Anchorage industries are incremental. These small declines and modest gains will add up to a minor overall expansion in its workforce in 2011. (See Exhibit 13.)

Oil no longer fuels expansion

After four years of strong oil industry growth, employment leveled off in 2009. By 2010, it had drifted downward, and this decline will likely continue in 2011 but remain above historical levels.

The outlook for the oil patch in 2011 is unclear, though it appears maintenance such as replacing pipe and old infrastructure will dominate.

Work at Exxon's Point Thompson prospect peaked last year and will wind down in 2011. British Petroleum's postponement of the Liberty project by a year bodes well for 2012, but is not good for 2011. BP, Alaska's largest oil producer, also incurred

high costs from the oil spill in the Gulf of Mexico, and its weakened economic position has prompted uncertainty about Alaska's oil industry and economy.

A number of bright prospects are on the shelf because of regulatory issues. At the top of that list is Shell's desire to drill wells in the Beaufort Sea in 2011, which awaits the federal go-ahead. Shell's success is being watched closely because its proposal is one of the best prospects for reversing Alaska's declining oil production.

Public construction will dominate

Construction employment peaked in 2005, declined mod-

No more pats on the back

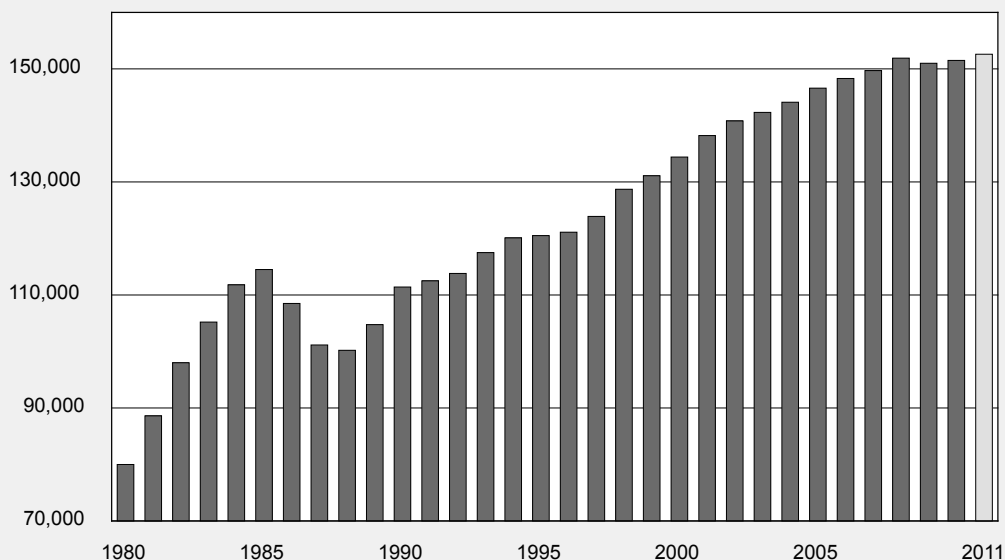
By NEAL FRIED, Economist

For the past three years, Anchorage has thanked its lucky stars that it weathered the national economic storm much easier than most of the U.S. From the beginning of the national recession in December 2007 to its official end in June 2009, the nation lost 6 percent of its wage and salary jobs, while Anchorage shed less than 1 percent.

Reports continually rated Anchorage's performance high, such as the Milken Institute ranking its economy eighth among the nation's 200 largest metropolitan areas in 2010. However, the comparison will fade over the next couple of years as the national economy recovers and Anchorage finds its footing.

11 Modest Increase in Wage and Salary Employment Anchorage, 1980 to 2011

Jobs



Note: 2010 is a preliminary estimate, and 2011 is a forecast.

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

erately each year since, and is expected to fall further in 2011. Building valuation data for Anchorage for the first ten months of 2010 was down 15 percent, or \$66 million — the lowest in more than a decade and a partial window into 2011.

As in 2010, commercial and residential construction will be the industry's weak links. Plans for office and retail space are modest, and residential permit activity remains soft. The number of new residential permits issued in 2010 approached a 20-year low, and a major rebound in 2011 is unlikely.

Public construction should remain strong with robust activity on Anchorage's military bases, stimulus money in the pipeline, and healthy capital budgets from state and local government. The Army Corps of Engineers plans a long list of multimillion-dollar projects for Anchorage and Fairbanks bases.

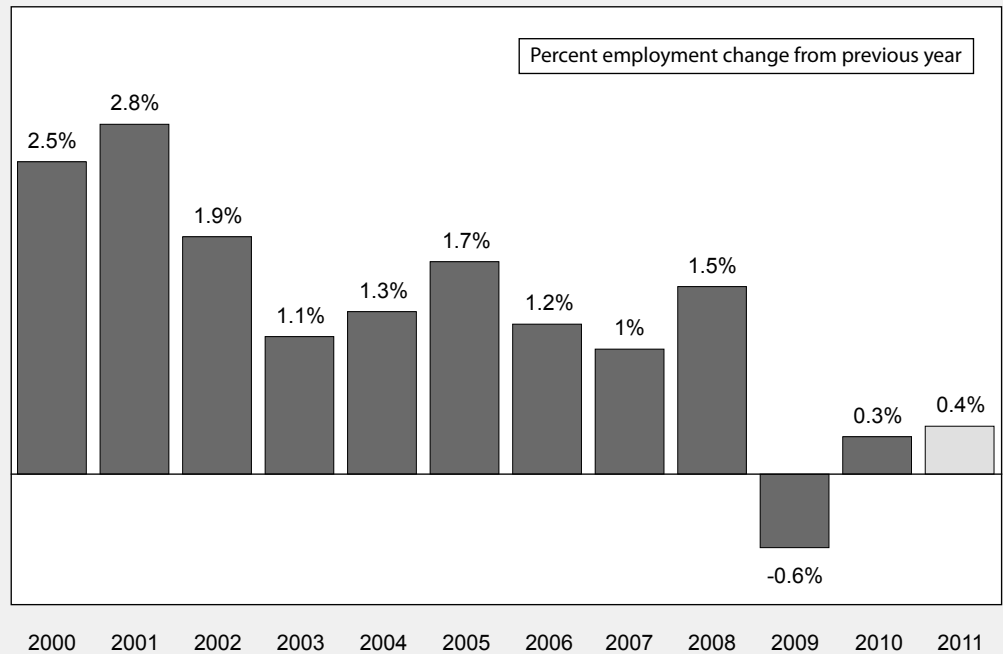
The budget for highway construction is expected to remain at least at last year's levels. The recently passed statewide bond package of nearly \$400 million, which includes a new University of Alaska Anchorage sports center, is welcome news for Anchorage contractors.

Large ongoing projects such as the Goose Creek Correctional Facility, UAA Health Science building, and Anchorage Port Expansion will also prevent employment in this industry from falling further.

Will consumers spend more in 2011?

Retail is a big employer in Anchorage — last year it generated 17,200 jobs on an annual basis — yet its employment hardly budged in the past decade despite a long list of major national retailers opening their doors, construction of one of the state's largest (and growing) shopping centers, and major

Year-to-Year Employment Changes Anchorage, 2000 to 2011 **12**



Note: 2010 is a preliminary estimate, and 2011 is a forecast.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

expansions of existing retailers. Anchorage retail employment even remained stable over the past three years while the nation shed more than a million retail jobs.

There are plans this year for a Wal-Mart expansion and at least two more Walgreens. However, the confidence of the Anchorage consumer will determine the direction of Anchorage retail. The improvement in the mood of American consumers overall could bump up local retail in 2011.

The Matanuska-Susitna Borough's expanding retail market could also affect the outlook for Anchorage. Unlike in Anchorage, retail employment in the Mat-Su over the past decade grew by more than 1,000 jobs, and sales tax revenue more than doubled. This growth has cannibalized some of Anchorage's retail sector as more Mat-Su residents spend their money at home.

Tourism prospects are bright

Eating and drinking places represent two-thirds of Anchorage's leisure and hospitality employment, another fifth comprises accommodations, and the

13 Anchorage Wage and Salary Employment

Forecast for 2011

| | 2009 Monthly Average | 2010 Monthly Average ¹ | Change 2009 to 2010 | Percent Change 2009 to 2010 | 2011 Monthly Average | Change 2010 to 2011 | Percent Change 2010 to 2011 |
|--|----------------------------|---|---------------------------|--------------------------------------|----------------------------|---------------------------|--------------------------------------|
| Total Nonfarm Wage and Salary ² | 151,000 | 151,500 | 500 | 0.3% | 152,100 | 600 | 0.4% |
| Natural Resources and Mining | 2,800 | 2,800 | 0 | 0.0% | 2,700 | -100 | -3.7% |
| Oil and Gas Extraction | 2,700 | 2,600 | -100 | -3.7% | 2,500 | -100 | -4.0% |
| Construction | 8,500 | 8,300 | -200 | -2.4% | 8,100 | -200 | -2.5% |
| Manufacturing | 1,800 | 1,900 | 100 | 5.6% | 1,800 | -100 | -5.6% |
| Trade, Transportation, and Utilities | 33,000 | 32,500 | -500 | -1.5% | 32,600 | 100 | 0.3% |
| Wholesale Trade | 4,700 | 4,500 | -200 | -4.3% | 4,500 | 0 | 0.0% |
| Retail Trade | 17,200 | 17,200 | 0 | 0.0% | 17,400 | 200 | 1.1% |
| Transportation, Warehousing, and Utilities | 11,100 | 10,800 | -300 | -2.7% | 10,700 | -100 | -0.9% |
| Information | 4,100 | 4,000 | -100 | -2.4% | 4,000 | 0 | 0.0% |
| Financial Activities | 8,800 | 8,900 | 100 | 1.1% | 9,000 | 100 | 1.1% |
| Professional and Business Services | 18,600 | 18,500 | -100 | -0.5% | 18,600 | 100 | 0.5% |
| Educational ³ and Health Services | 21,000 | 21,700 | 700 | 3.3% | 22,300 | 600 | 2.7% |
| Leisure and Hospitality | 15,600 | 15,500 | -100 | -0.6% | 15,700 | 200 | 1.3% |
| Other Services | 5,700 | 5,900 | 200 | 3.5% | 5,900 | 0 | 0.0% |
| Government | 31,100 | 31,600 | 500 | 1.6% | 31,400 | -200 | -0.6% |
| Federal Government ⁴ | 9,600 | 9,900 | 300 | 3.1% | 9,600 | -300 | -3.1% |
| State Government ⁵ | 10,500 | 10,800 | 300 | 2.9% | 11,000 | 200 | 1.8% |
| Local Government ⁶ | 11,000 | 11,000 | 0 | 0.0% | 10,800 | -200 | -1.9% |

¹ Preliminary estimates

² Excludes self-employed workers, fishermen, domestic workers, and unpaid family workers

³ Private education only

⁴ Excludes uniformed military

⁵ Includes the University of Alaska

⁶ Includes public school systems

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

balance is entertainment. Most of this industry's stimulus in Anchorage is local consumption and business activity, but the visitor industry is also vital.

The slice of leisure and hospitality that depends on visitors — eating and drinking, hotels, and entertainment — outperformed expectations in 2010 despite the steep decline in cruise ship passengers. It appears that independent visitor counts picked up much of the slack. Bed and rental car taxes rose by 10 and 7 percent respectively in the first three quarters of 2010. However, these numbers are still well below the previous highs in 2008.

The outlook for Anchorage's visitor industry in 2011 is bright. National tourism is recovering, which bodes well for the independent segment of Alaska's visitor industry and convention business. The Anchorage Visitor and Convention Bureau predicts a double-digit increase in 2011, the cruise ship count is expected to improve moderately, and Jet Blue and Edelweiss Airlines will begin flying into Anchorage.

Financial sector strangely stable

The financial industry in Anchorage remained remarkably stable even though the national sector was in the center of the national economic storm, shedding nearly 800,000 jobs. Anchorage financial employment fell slightly in 2008 and 2009, but recovered a bit in 2010. The stock market rebound is also a good sign for the industry.

This sector is driven by real estate and its associated business, including mortgages, titles, and insurance. Also, because of continuing near-record low interest rates, the industry remains busy with statewide refinancing. Low interest rates are also a boon for consumer loans.

Health care keeps on giving

Health care is a big employer that grows fast and often generates the largest number of new jobs in the economy. Between 2000 and 2010, health care

employment grew by nearly 6,500, or 5.2 percent per year, versus 1.2 percent for overall employment.

Health care appears to have played a pivotal role in Anchorage's overall employment last year. This industry not only saved lives, but it also served as economic savior. Without its contribution, total employment may not have budged, and this trend is almost certain to continue in 2011.

More loft for transportation in 2011

Modest growth in Anchorage's overall economy, a better visitor season, and continued recovery in the international air cargo arena should continue to buoy the transportation industry in 2011. Because most Alaska businesses depend on transportation, the overall health of Alaska's economy is the best predictor of this sector's future.

Public sector will shrink

During 2009, the public sector and health care were the only two industries that grew by more than 100 jobs, offsetting many of the losses elsewhere in the economy. These gains repeated to a lesser degree in 2010, but 2011 is another story. Public sector employment is expected to decline because of losses in federal and local government.

In 2010, the decennial census provided a major boost to federal employment, but these jobs will disappear in 2011.

Employment in the Municipality of Anchorage fell by approximately 10 percent in 2010, but school district gains offset these losses. Municipal employment is predicted to decline again in 2011, and school district jobs will probably also fall because of budget shortfalls, the end of stimulus money, and declines in school enrollment.

State government employment, which includes the University of Alaska, will probably remain near current levels.

On the military front, the numbers are mixed. Fort Richardson and Elmendorf Air Force Base merged into a single installation in 2010, but no jobs are to be lost initially. Anchorage's uniformed military numbers could continue to grow a little more in 2011, but major deployments are likely to lead to a temporary loss of troops.

Another trying year for job seekers

Anchorage's jobless rate for the first three quarters of 2010 was 7 percent, the highest in almost two decades. The good news is that it began to improve during the latter part of the year and was 2.8 points lower than the national rate of 9.8 percent for the same period.

However, 2011 probably won't be a job seeker's market, and it will remain a challenge to land a job in Anchorage. Nevertheless, it will likely remain a better market than most.



The health care industry was the largest contributor to the overall growth of Fairbanks' economy, followed by government, construction, and professional and business services. (See Exhibit 8.)

Gains in 2011 will be small

Looking forward, the biggest change from 2010 to 2011 will be the deployment of the 1st Stryker Brigade Combat Team, 25th Infantry, from Fort Wainwright and the resulting decline in retail spending. Other expected changes are increased cruise ship tourism from additional sailings to Southcentral Alaska, and a decrease in federal employment following the end of the decennial census.

Despite the looming deployment, the borough's economic factors are positive for 2011. Increases in tourism, health care, state government, and other areas will likely outweigh potential declines from the departure of soldiers and some of their families. These combined changes are expected to result in a 0.5 percent increase in 2011, or about 200 jobs.

The military giveth and taketh away

Military deployments have a significant effect on the borough, and the return of deployed troops is one of the reasons Fairbanks grew in 2010. (See Exhibit 9.) Soldiers and their families returning to the Fairbanks area spent money on everything from new cars to dining out, and that helped shelter the borough from losses seen elsewhere last year.

Alaskans have cut back on their purchases overall, so increased spending by returning military families helped Fairbanks retail maintain its 2009 level of 4,500 jobs. No new large retail outlets were added to the mix, but none closed, either. This can be seen as a victory, because U.S. consumer confidence remained low

Back on the growth wagon

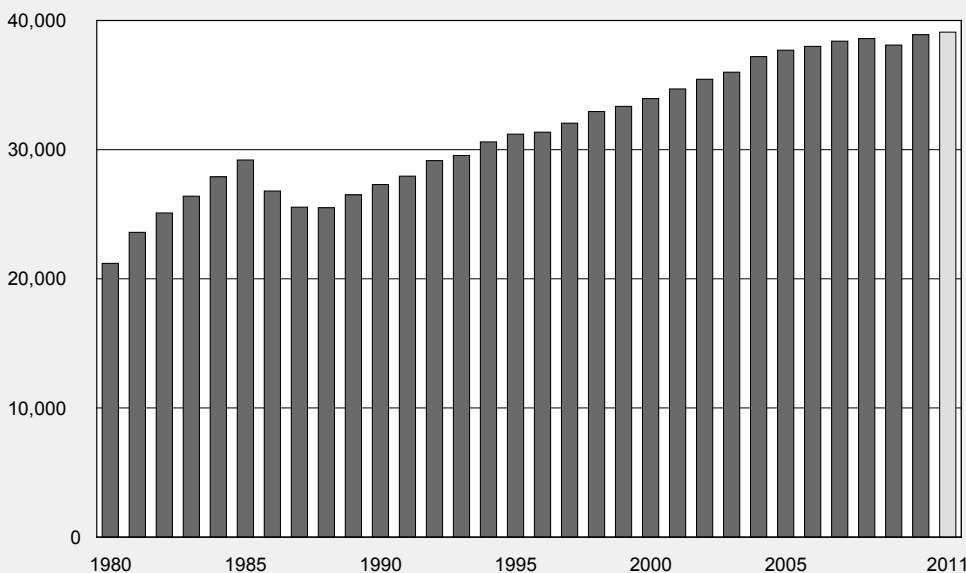
By ALYSSA SHANKS, Economist

Fairbanks' long history of growth seems to have been briefly interrupted rather than derailed. After a year of decline, Fairbanks residents welcomed the return of job growth in 2010. Despite worries of weak tourism and construction seasons, the Fairbanks North Star Borough moved with the state from 2009 declines to 2010 expansion. (See Exhibit 6.)

Preliminary figures show the borough added 800 jobs in 2010, a 2.1 percent jump from 2009 and the highest percentage of increase in a single year since 2004. (See Exhibit 7.)

Several industries gained employment in 2010, and even more maintained their 2009 job levels.

6 A Return to Growth Fairbanks payroll jobs, 1980 to 2011



Note: Employment in 2010 is a preliminary estimate, and 2011 is a forecast.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

throughout 2010. Despite its distance from the rest of the nation, Alaska feels the effects of nationwide consumer sentiment.

While the troops' return boosted Fairbanks in 2010, the impending deployment will mean the opposite in 2011 — and the retail sector will feel its effects most. More than 4,000 soldiers will leave in February for training, then head to Afghanistan in May on a one-year mission.

During the past two periods of deployment, retail jobs and spending decreased with the reduced population. Retail will likely lose about 100 jobs as troops ship out and some of their families leave the area, taking their retail dollars with them.

New construction projects dominate

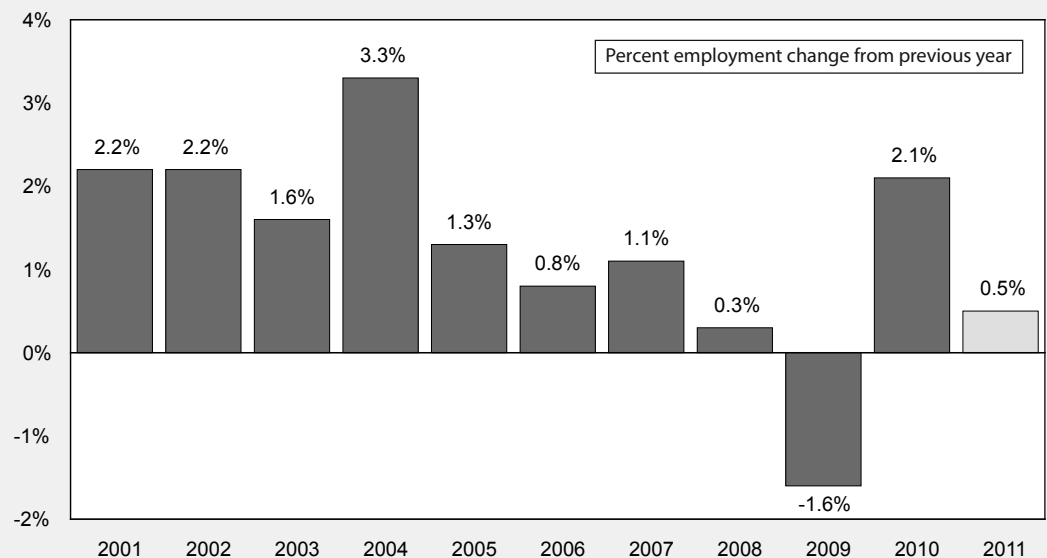
Construction employment grew by around 100 jobs in 2010. Many came from increased repair work at the North Pole refinery, and these jobs will recur in 2011. Other notable construction projects that wrapped up in 2010 include the Ruth Burnett Sport Fish Hatchery, Barnett Street Bridge, and new housing on Fort Wainwright.

Housing construction will continue on the base this year. The North Haven development is part of a long-term project that will eventually renovate more than 1,800 homes on Fort Wainwright and Fort Greely.

The big project on the docket for 2011 is the Chief Andrew Isaac Medical Center. Estimates put construction employment at 175 new jobs. Construction of the foundation is expected to start in August, with completion scheduled for December 2012. Because the project will start late in 2011, its effect on the annual average construction job

Small Job Gains Expected This Year

Fairbanks North Star Borough, 2001 to 2011



Note: 2010 is a preliminary estimate, and 2011 is a forecast.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

count will be minimal.

The medical center and 2011 capital construction projects — mostly road improvements and maintenance — will lead to about 100 new construction jobs this year.

Tourism weathers the storm

The leisure and hospitality industry in the Fairbanks North Star Borough held its own in 2010, maintaining its 2009 level of 4,000 jobs despite the loss of 120,000 cruise ship visitors. (See Exhibit 10.) Five cruise lines pulled ships from the Gulf of Alaska crossing in the 2010 season, cutting the number of visitors entering Southcentral Alaska and eventually making their way to Fairbanks.

Despite this loss, the borough's visitor industry finished the season with little to no ground lost. Receipts from an 8 percent bed tax in the third quarter of 2010 show a 9.7 percent increase over the third quarter of 2009. And tourist counts from the Morris Thompson Cultural and Visitor Center show a gain of 61 percent in the third quarter. These jumps are likely the result of a rise in independent Alaskan and out-of-state visitors, and an increased aware-



Fairbanks Area Wage and Salary Employment

Forecast for 2011

| | 2009 Monthly Average | 2010 Monthly Average ¹ | Change 2009 to 2010 | Percentage Change 2009 to 2010 | 2011 Monthly Average | Change 2010 to 2011 | Percentage Change 2010 to 2011 |
|--|----------------------------|---|---------------------------|--------------------------------------|----------------------------|---------------------------|--------------------------------------|
| Total Nonfarm Wage and Salary ² | 38,100 | 38,900 | 800 | 2.1% | 39,100 | 200 | 0.5% |
| Mining and Logging | 1,100 | 1,100 | 0 | 0.0% | 1,100 | 0 | 0.0% |
| Construction | 2,500 | 2,600 | 100 | 4.0% | 2,700 | 100 | 3.8% |
| Manufacturing | 600 | 600 | 0 | 0% | 600 | 0 | 0% |
| Trade, Transportation, and Utilities | 7,700 | 7,700 | 0 | 0% | 7,700 | 0 | 0% |
| Retail Trade | 4,500 | 4,500 | 0 | 0% | 4,400 | -100 | -2% |
| Transportation, Warehousing, and Utilities | 2,500 | 2,500 | 0 | 0% | 2,500 | 0 | 0% |
| Information | 500 | 500 | 0 | 0% | 500 | 0 | 0% |
| Financial Activities | 1,600 | 1,600 | 0 | 0% | 1,600 | 0 | 0% |
| Professional and Business Services | 2,200 | 2,300 | 100 | 4.5% | 2,200 | -100 | -4.3% |
| Educational ³ and Health Services | 4,500 | 4,900 | 400 | 8.9% | 5,100 | 200 | 4.1% |
| Leisure and Hospitality | 4,000 | 4,000 | 0 | 0% | 4,000 | 0 | 0% |
| Other Services | 1,300 | 1,200 | -100 | -7.7% | 1,200 | 0 | 0% |
| Government | 12,100 | 12,400 | 300 | 2.5% | 12,400 | 0 | 0.0% |
| Federal Government ⁴ | 3,500 | 3,600 | 100 | 2.9% | 3,500 | -100 | -3% |
| State Government ⁵ | 5,300 | 5,500 | 200 | 3.8% | 5,600 | 100 | 1.8% |
| Local Government ⁶ | 3,300 | 3,300 | 0 | 0% | 3,300 | 0 | 0.0% |

¹ Preliminary estimate

² Excludes self-employed workers, fishermen, domestic workers, unpaid family workers and nonprofit volunteers

³ Private education only

⁴ Excludes uniformed military

⁵ Includes the University of Alaska

⁶ Includes public school systems

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

ness of the center's presence.

However, the tourism outlook for 2011 is lukewarm. The number of cruise ship passengers is likely to increase as several cruise lines add ships back into the 2011 season. However, the decrease from deployment will offset the increase in cruise passengers, resulting in stable employment.

You've always got your health

In 2010 alone, health care grew by 400 jobs — more than any other industry in the borough. The growth in health care was spread evenly across ambulatory care, nursing and residential care, and the hospital.

There are several potential reasons for this jump. Demand for local health care may have increased because more procedures are available locally. Another possibility is that the prior year's growth was so muted, it created a backlog of health care jobs to fill.

In the past, Alaska hasn't sustained growth that high for more than a year, so health care is likely to grow again in 2011 but at a slower rate of about 200 jobs.

Boom in census workers ends

The decennial census in 2010 generated about 100 extra jobs on an average annual basis, bringing total federal employment up to 3,600 jobs — its highest level ever. Most of those census jobs will disappear this year, likely returning the total federal job count to its 2009 level of about 3,500.

State government flourishes

State government in the Fairbanks area grew by 200 jobs, or 3.8 percent, in 2010. This was the largest increase in a single year since 2002, due to more firefighters and increased enrollment and jobs at the University of Alaska Fairbanks. Combined part-time and full-time enrollment at UAF

increased by 467 students from 2009 to 2010.

After a year of such high growth, only 100 additional jobs are likely for state government in 2011. This level of job growth is in line with the long-term growth rate of 1.8 percent.

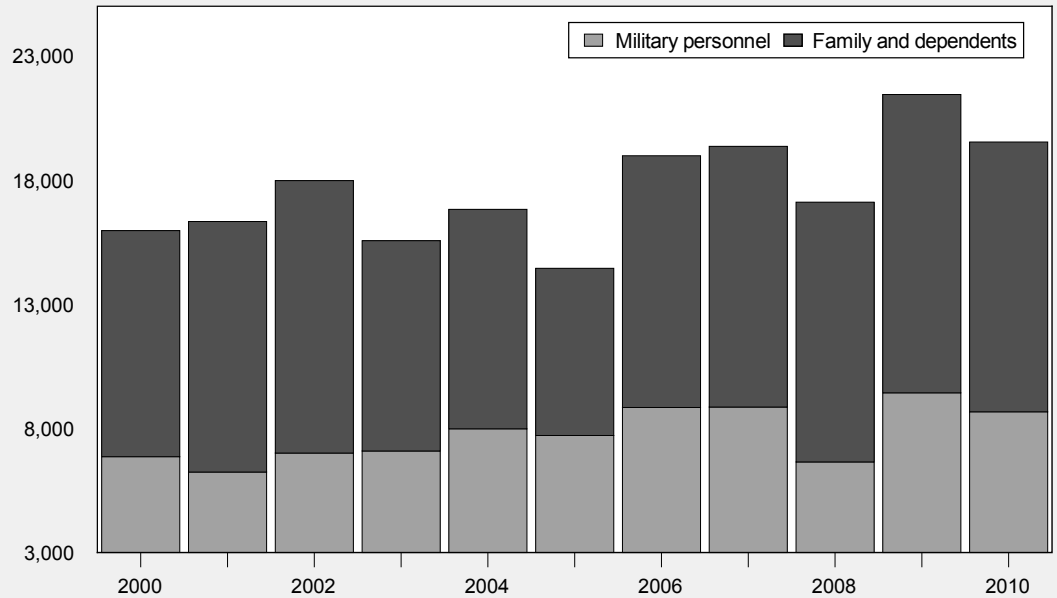
Local government is stable for now

Local government employment was steady from 2009 to 2010 despite a school district increase of about 200 students. Enrollment for the 2010 to 2011 school year shows about 300 fewer students. This decline is not likely to affect employment this year.

However, if the drops continue, losses in school district employment could follow. The current enrollment level, coupled with an overall stable trend in local government administration, will likely result in stable employment in 2011.

The Military is an Economic Driver **9**

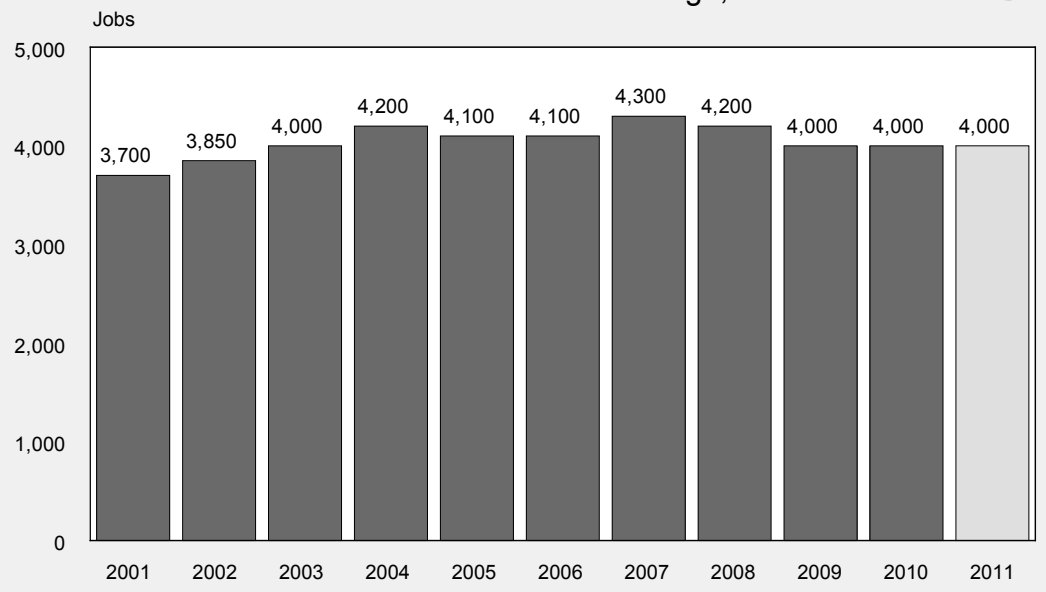
Fairbanks North Star Borough, 2000 to 2010



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

Stable Leisure and Hospitality Sector **10**

Fairbanks North Star Borough, 2001 to 2011



Note: 2010 is a preliminary estimate, and 2011 is a forecast.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section



education, health care, professional and business services, and mining industries employment grew. (See Exhibit 14.)

Despite mild job recovery in 2010 after a 2.2 percent decline the year before, overall employment in Southeast is expected to drop by 400 jobs, or 1.1 percent, in 2011. (See Exhibit 15.)

Small losses after brief recovery

By MALI ABRAHAMSON, Economist

Southeast Alaska exceeded expectations in 2010. Even though forecasts predicted a loss of jobs, Southeast's preliminary counts show a 0.4 percent net increase in nonfarm employment.

Though the overall change was small, there was movement in many sectors. Trade, transportation, manufacturing, information, construction, and leisure and hospitality lost jobs last year, while

Structural demographic changes and hesitant tourists will continue to erode employment in the trade, transportation, leisure, and accommodation sectors. However, government, mining, and health care will provide enough ballast to keep overall losses small.

Jobs increased as population fell

Employment in Southeast has grown overall over the last two decades, but in the same period its population peaked in 1997 and has steadily de-

14 Southeast Alaska Wage and Salary Employment Forecast for 2011

| | 2009 Monthly Average | 2010 Monthly Average ¹ | Change 2009 to 2010 | Percentage Change 2009 to 2010 | 2011 Monthly Average | Change 2010 to 2011 | Percentage Change 2010 to 2011 |
|--|----------------------------|---|---------------------------|--------------------------------------|----------------------------|---------------------------|--------------------------------------|
| Total Nonfarm Wage and Salary ² | 36,050 | 36,200 | 150 | 0.4% | 35,800 | -400 | -1.1% |
| Mining and Logging | 600 | 700 | 100 | 16.6% | 700 | 0 | 0.0% |
| Construction | 1,450 | 1,400 | -50 | -3.4% | 1,400 | 0 | 0.0% |
| Manufacturing | 1,800 | 1,800 | 0 | 0.0% | 1,800 | 0 | 0.0% |
| Seafood Processing | 1,350 | 1,300 | -50 | -3.7% | 1,300 | 0 | 0.0% |
| Trade, Transportation, and Utilities | 7,150 | 7,050 | -100 | -1.4% | 6,850 | -200 | -2.8% |
| Retail Trade | 4,450 | 4,350 | -100 | -2.2% | 4,300 | -50 | -1.1% |
| Information | 550 | 450 | -100 | -18.2% | 450 | 0 | 0.0% |
| Financial Activities | 1,300 | 1,300 | 0 | 0.0% | 1,300 | 0 | 0.0% |
| Professional and Business Services | 1,300 | 1,450 | 150 | 11.5% | 1,450 | 0 | 0.0% |
| Educational ³ and Health Services | 3,650 | 3,800 | 150 | 4.1% | 3,800 | 0 | 0.0% |
| Leisure and Hospitality | 3,550 | 3,500 | -50 | -1.4% | 3,400 | -100 | -2.9% |
| Other Services | 1,200 | 1,200 | 0 | 0.0% | 1,200 | 0 | 0.0% |
| Government | 13,500 | 13,550 | 50 | 0.4% | 13,450 | -100 | -0.7% |
| Federal Government ⁴ | 1,750 | 1,800 | 50 | 2.9% | 1,750 | -50 | -2.8% |
| State Government ⁵ | 5,500 | 5,550 | 50 | 0.9% | 5,550 | 0 | 0.0% |
| Local Government ⁶ | 6,250 | 6,200 | -50 | -0.8% | 6,150 | -50 | -0.8% |

¹ Preliminary estimate

² Excludes self-employed workers, fishermen, domestic workers, unpaid family workers and nonprofit volunteers

³ Private education only

⁴ Excludes uniformed military

⁵ Includes the University of Alaska

⁶ Includes public school systems

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

clined since. (See Exhibits 16 and 17.) This downward trend is expected to continue in the coming years.¹

While Alaska's population has grown, Southeast has lost nearly 4,500 people since the 1997 peak. Its population is older as well, with a median age of 39 in contrast to the statewide median of 33.5 years.

In general, the smaller population will result in less overall demand for nonbasic² goods and services. However, because growth differs among age groups (see Exhibit 18), demand for some goods and services will be affected more than others. An aging population typically requires more social and health care services, reflected in the overall employment stability in that industry.

Weak U.S. economy will hurt tourism

The reduction in cruise ship passengers in 2010 hurt Alaska's visitor industry. Preliminary counts show cruise ship passenger numbers down 142,000 from 2009, and they are forecasted to be lower in 2011 as well. Bed taxes, airline passengers, and out-of state ferry passengers also declined between 2008 and 2009.³

While some cruise firms plan to add ships in 2011, overall visitor traffic will likely remain below 2009 levels. With slow predicted economic growth in the rest of the nation and the world, the tourism industry's performance will certainly be lackluster. Not only do visitor numbers decline in poor eco-

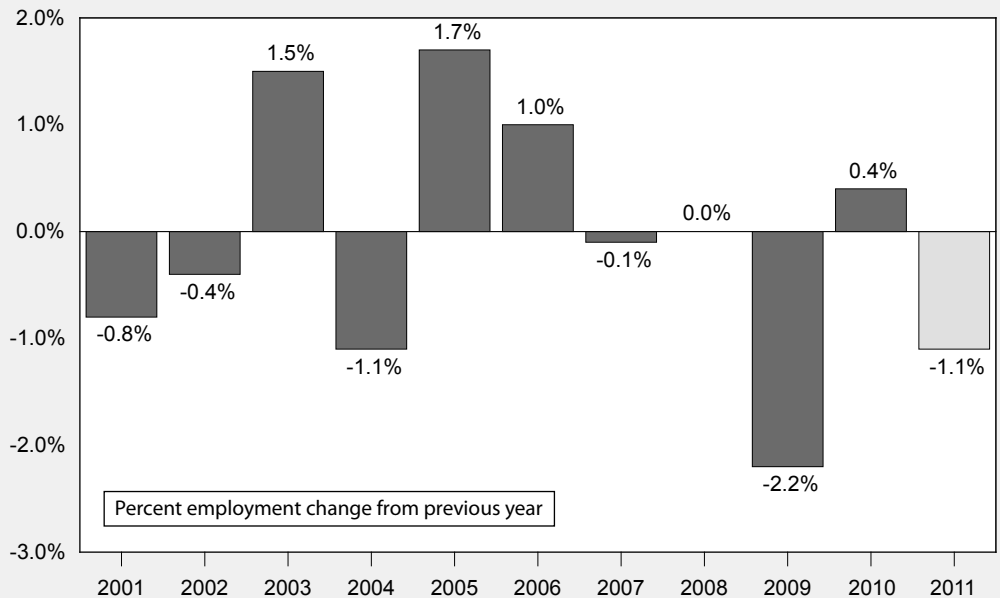
¹ For more information on population estimates and projections, see the December 2010 issue of *Trends*.

² Basic industries produce goods and services ultimately sold to consumers outside the region. Nonbasic industries produce goods and services that are consumed locally. For example, basic industries such as mining, tourism, and manufacturing bring money into the region while nonbasic industries such as financial services, public education, and retail recirculate money within the region.

³ Sources: Economic Impacts of Alaska's Visitor Industry, Alaska Department of Commerce, Community and Economic Development

More Losses Follow Slight Recovery 15

Southeast Alaska, 2001 to 2011



Note: 2010 is a preliminary estimate, and 2011 is a forecast.

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

nomical climates, but those who come are more likely to travel on a budget and spend less on goods, dining, and accommodations.

The leisure and hospitality industry shrank by an estimated 50 jobs last year, and this trend is expected to continue into the 2011 tourism season with a likely loss of about 100 jobs on an average annual basis.

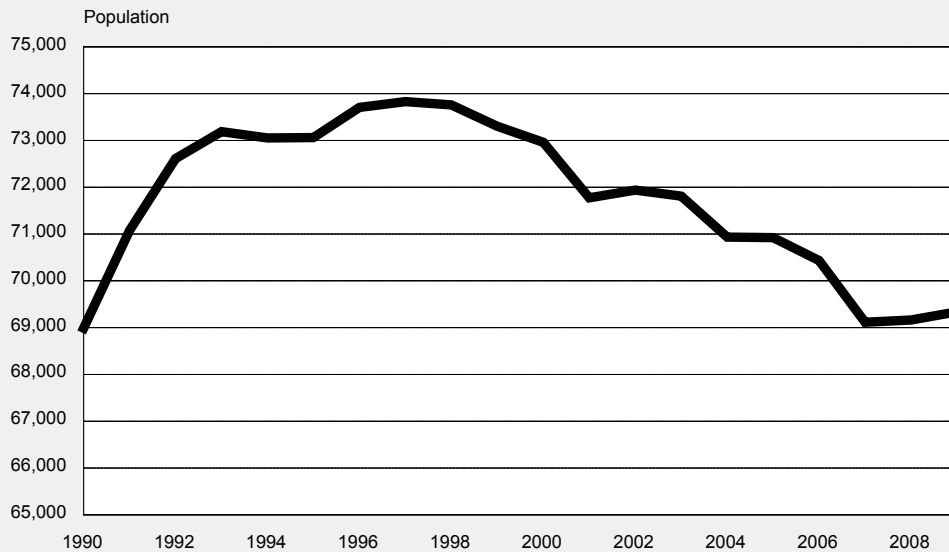
A big player may cut back

The state capital in Juneau and dominant local and regional agencies make government the largest industry in the region, with 13,600 jobs in 2010. Government made up 37 percent of Southeast employment in 2010, while the statewide slice was only 26 percent. (See Exhibit 19.)

State government employed 5,550 people in Southeast Alaska in 2010, and that is expected to hold steady in 2011. However, federal employment is forecasted to return to a pre-census level of 1,750 jobs, a loss of 50 from 2010.

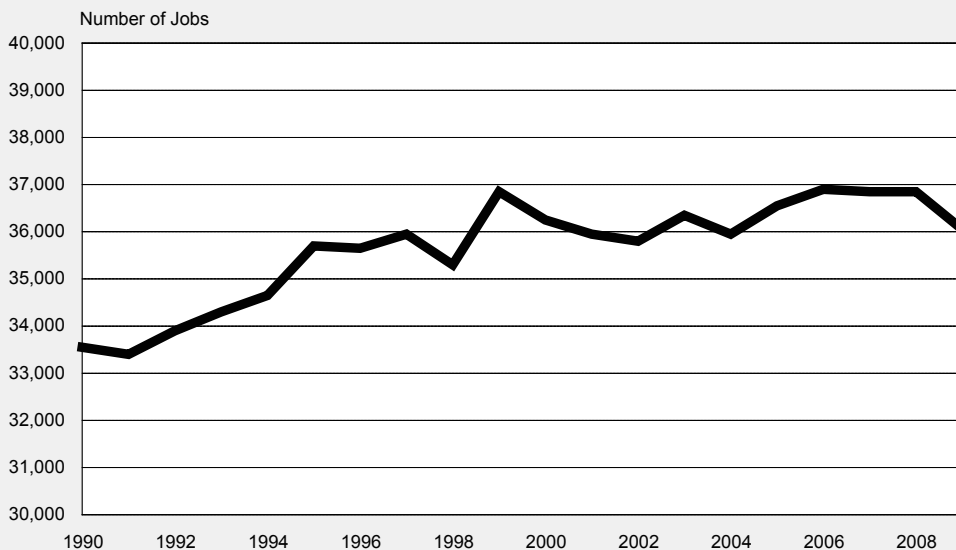
Local and regional governments — including school districts and tribal, borough, and city

16 Population Trends Southeast Alaska, 1990 to 2009



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

17 Employment Trends Southeast Alaska, 1990 to 2009



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

governments — employed about 6,200 people in 2010. This number will fall slightly as communities struggle with budgets and drops in student enrollment. Local government employment has remained steady even though public school enrollment has declined by 13 percent since 2000

and continues to fall⁴ — a trend that can't continue indefinitely.

A renaissance for natural resources

Southeast has a legacy of mining and natural resource-based economies dating back to Russian fur traders. These industries are less susceptible to economic downturns and are expected to remain stable in Southeast, an area rich in metals, seafood, water, and forest products.

The Kensington Mine near Juneau began producing gold and added jobs in 2010. Mining and logging is a small sector, but its stability is an asset. Overall, mining and logging added 100 jobs between 2009 and 2010, largely because of the Kensington opening. The job level is expected to remain at 700 as extraction continues at Kensington and other regional mines.

The Alaska Department of Fish and Game has predicted an excellent pink salmon run for Southeast in 2011,⁵ and while fish harvesters aren't counted in employment statistics, industry success drives port-side employment in a variety of services and seafood processing. Four Southeast communities — Sitka, Ketchikan, Petersburg, and Juneau — were in the top 50 U.S. ports for fishery landings in 2009 for a combined total of 226

⁴ Source: Alaska Department of Education and Early Development

⁵ Source: Alaska Department of Fish and Game, Commercial Fisheries Division

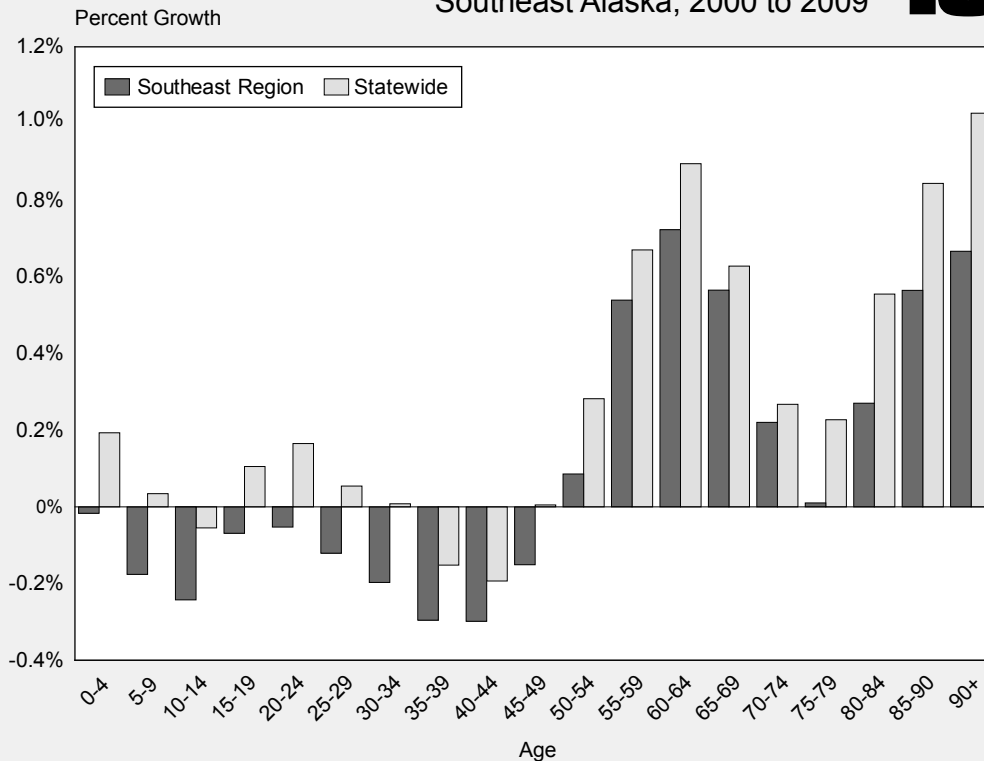
million pounds valued at \$135 million.⁶ While in-season reports show below-average harvests for the area, salmon prices were favorable in 2010.

The seafood industry will remain stable in 2011, maintaining the 1,300 jobs in seafood processing and packaging that make up 3.6 percent of the region's total wage and salary employment.

Although Southeast's economy has historically been production-based, the region's surroundings and sightseeing opportunities have allowed recreation-related sectors to grow in recent years. However, high commodity prices, increased demand for scarce goods, and the region's export ability could allow production-related industries to regain a larger share of Southeast's economy.

No Population Gain in the Under 50 Crowd Southeast Alaska, 2000 to 2009

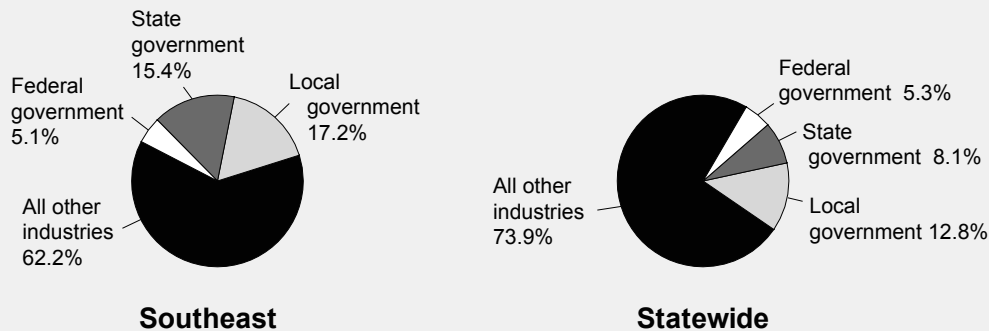
18



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

Government a Major Regional Player Southeast Alaska, 2011

19



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

⁶ Source: Fisheries of the United States 2009, National Marine Fisheries Service, Office of Science and Technology, Fisheries Statistics Division

Employment Scene

Unemployment rate at 8.0 percent



Alaska's seasonally adjusted unemployment rate for November inched up slightly to 8.0 percent. October's rate was 7.9 percent.

The comparable national jobless rate for November was 9.8 percent, up from 9.6 percent in October. Exactly a year ago, the national unemployment rate was 10 percent, with Alaska at 8.5 percent.

A small drop in unemployment claims

March and November were the only months in 2010 that total unemployment weeks claimed were below their year-ago levels, but it's too early to tell if there's a trend.

Unemployment rises in most areas

The not seasonally adjusted unemployment rates increased in all of the state's regions in November except one, the Northern region, where it remained unchanged. In most cases, the jobless numbers were close to year-ago levels. For example, the

Interior's unemployment rate in November rose to 7.8 percent, up from 7.3 percent in October but down a bit from a year ago, when it was 8.2 percent.

In November, the areas with both the highest and lowest unemployment rates were not much different from October's lineup. The North Slope Borough and Juneau again had the lowest unemployment rates, and the Denali Borough and Skagway had the highest. Both the Denali Borough (home to Denali National Park) and Skagway (headquarters of the Klondike Gold Rush National Historical Park) are among the most dependent on visitors, which leads to some of the state's most dramatic seasonal swings.

Jobless rates in small places

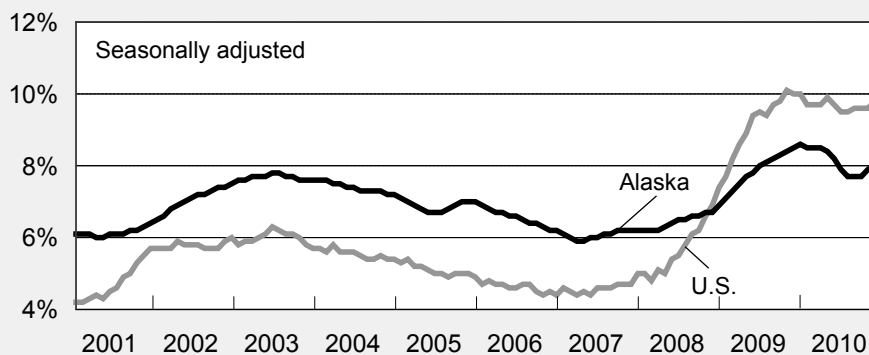
Each month the Department of Labor and Workforce Development produces labor force statistics (which include the unemployment rate) for the state, its six regions, and its 28 boroughs, municipalities, and census areas. For areas smaller than these, the department collected data only once every ten years during the decennial census period.

But even this source is no longer updated as of 2010, when the decennial census stopped collecting detailed labor force, housing, and income data.

The long form was eliminated and replaced by the American Community Survey (ACS), which collects this information on an ongoing basis.

ACS recently released data for 2005 to 2009 for the detailed geographic areas in the nation, including all of Alaska's cities, places, census-designated places, census tracts, and other geographic subdivisions. This is a sample-based survey and be-

1 Unemployment Rates, Alaska and U.S. January 2001 to November 2010



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

cause it's relatively small, a five-year average of data is necessary to produce results for populations of less than 20,000.

Exhibit 2 is a sample of these data for the Northwest Arctic Borough and each of its communities. Their unemployment rates were extracted from the entire social, economic, housing, and demographic profiles that exist for each of these places.

It's not surprising that the state's smaller, remote communities post high jobless rates, ranging from 19.1 percent in Kotzebue to 43.7 percent in Selawik. However, these data should be treated with caution.

The Census Bureau also publishes margins of error for each data set, and these tend to be relatively large for the smallest communities and smaller for the larger places. For example, the margin for error for Deering is nearly as large as the reported unemployment rate. Also, the data for Red Dog are a bit misleading. Because Red Dog is a mine in the Northwest Arctic Borough, presumably everyone at that camp is working and there should be no unemployment. Nevertheless, the data report an unemployment rate of 25.9 percent — another reason to approach these data carefully.

Unemployment in Small Places **2** Northwest Arctic Borough

| | Unemployment Rate | Margin of Error |
|---------------------------------|-------------------|-----------------|
| Northwest Arctic Borough | 25.8% | +/-3.0 |
| Ambler city | 31.6% | +/-18.7 |
| Buckland city | 37.4% | +/-12.3 |
| Deering city | 32.5% | +/-31.4 |
| Kiana city | 28.8% | +/-12.2 |
| Kivalina city | 21.5% | +/-8.5 |
| Kobuk city | 22.9% | +/-22.1 |
| Kotzebue city | 19.1% | +/-3.8 |
| Noatak CDP* | 30.6% | +/-13.0 |
| Noorvik city | 31.1% | +/-9.3 |
| Red Dog Mine CDP* | 25.9% | +/-22.0 |
| Selawik city | 43.7% | +/-10.3 |
| Shungnak city | 39.3% | +/-14.3 |

*Census-designated place
Source: U.S. Census Bureau

A Safety Minute

Governor's annual safety conference scheduled for March 22 to 24

This year's theme for the 30th Annual Alaska Governor's Safety and Health Conference is "Safety isn't expensive, it's priceless."

The Alaska Safety Advisory Committee (ASAC) is accepting submissions for speakers and presentations for the conference, which is scheduled for March 22 to 24 at the Dena'ina Civic and Convention Center in Anchorage.

The annual safety and health conference draws from a range of Alaska employers, including those from oil and gas, fish processing, hospitality, municipalities, and State of Alaska

departments. It includes regional vendors and breakout sessions on various safety themes pertinent to Alaska businesses.

This year's conference will include sessions on safety and health for youth workers, the oil and gas industry, transportation and warehousing, the hospitality industry, and public and home health. Alaska occupational safety and health trainers will also offer 10-hour general industry and construction courses.

Contact Thomas.Duffy@alaska.gov for more information or submissions.

3 Statewide Employment

Nonfarm wage and salary

| | Preliminary | | Revised | | Year-Over-Year Change | | |
|--|-------------|---------|---------|-------|-------------------------|--------|--|
| | 11/10 | 10/10 | 11/09 | 11/09 | 90% Confidence Interval | | |
| Alaska | | | | | | | |
| Total Nonfarm Wage and Salary¹ | 315,600 | 318,800 | 311,800 | 3,800 | -3,583 | 11,183 | |
| Goods-Producing ² | 38,300 | 43,000 | 38,500 | -200 | -3,084 | 2,684 | |
| Service-Providing ³ | 277,300 | 275,800 | 273,300 | 4,000 | - | - | |
| Mining and Logging | 14,600 | 14,500 | 14,700 | -100 | -893 | 693 | |
| Mining | 14,400 | 14,000 | 14,500 | -100 | - | - | |
| Oil and Gas | 12,000 | 12,100 | 12,300 | -300 | - | - | |
| Construction | 14,400 | 16,900 | 14,700 | -300 | -2,883 | 2,283 | |
| Manufacturing | 9,300 | 11,600 | 9,100 | 200 | -794 | 1,194 | |
| Seafood Processing | 4,700 | 6,200 | 4,900 | -200 | - | - | |
| Trade, Transportation, Utilities | 62,100 | 61,100 | 61,600 | 500 | -1,872 | 2,872 | |
| Wholesale Trade | 5,900 | 6,000 | 6,100 | -200 | -756 | 356 | |
| Retail Trade | 36,200 | 34,700 | 35,800 | 400 | -1,628 | 2,428 | |
| Food and Beverage Stores | 6,100 | 5,900 | 6,200 | -100 | - | - | |
| General Merchandise Stores | 10,400 | 9,900 | 10,300 | 100 | - | - | |
| Transportation, Warehousing, Utilities | 20,000 | 20,400 | 19,700 | 300 | -738 | 1,338 | |
| Air Transportation | 5,400 | 5,500 | 6,000 | -600 | - | - | |
| Truck Transportation | 3,000 | 3,000 | 3,000 | 0 | - | - | |
| Information | 6,200 | 6,300 | 6,500 | -300 | -881 | 281 | |
| Telecommunications | 4,100 | 4,300 | 4,300 | -200 | - | - | |
| Financial Activities | 14,400 | 15,200 | 14,300 | 100 | -1,843 | 2,043 | |
| Professional and Business Services | 26,000 | 25,200 | 24,700 | 1,300 | -493 | 3,093 | |
| Educational⁴ and Health Services | 42,300 | 42,000 | 39,600 | 2,700 | 1,432 | 3,968 | |
| Health Care | 30,700 | 30,400 | 28,500 | 2,200 | - | - | |
| Leisure and Hospitality | 29,000 | 27,900 | 29,100 | -100 | -2,137 | 1,937 | |
| Accommodations | 6,400 | 6,200 | 6,000 | 400 | - | - | |
| Food Services and Drinking Places | 18,900 | 18,000 | 18,500 | 400 | - | - | |
| Other Services | 11,200 | 11,700 | 11,400 | -200 | -3,376 | 2,976 | |
| Government | 86,100 | 86,400 | 86,100 | 0 | - | - | |
| Federal Government ⁵ | 16,400 | 16,500 | 16,400 | 0 | - | - | |
| State Government | 26,400 | 26,400 | 26,200 | 200 | - | - | |
| State Government Education ⁶ | 8,200 | 8,200 | 8,200 | 0 | - | - | |
| Local Government | 43,300 | 43,500 | 43,500 | -200 | - | - | |
| Local Government Education ⁷ | 25,000 | 25,000 | 24,900 | 100 | - | - | |
| Tribal Government | 3,600 | 3,900 | 3,500 | 100 | - | - | |

5 Regional Employment

Nonfarm wage and salary

| | Preliminary | | Revised | | Changes from | | Percent Change | |
|------------------------|-------------|---------|---------|--------|--------------|-------|----------------|--|
| | 11/10 | 10/10 | 11/09 | 10/10 | 11/09 | 10/10 | 11/09 | |
| Anch/Mat-Su | 170,100 | 173,100 | 169,700 | -3,000 | 400 | -1.7% | 0.2% | |
| Anchorage | 150,650 | 152,550 | 150,100 | -1,900 | 550 | -1.2% | 0.4% | |
| Gulf Coast | 27,700 | 28,800 | 27,000 | -1,100 | 700 | -3.8% | 2.6% | |
| Interior | 43,750 | 44,850 | 43,400 | -1,100 | 350 | -2.5% | 0.8% | |
| Fairbanks ⁸ | 38,000 | 38,700 | 37,500 | -700 | 500 | -1.8% | 1.3% | |
| Northern | 19,900 | 20,200 | 20,250 | -300 | -350 | -1.5% | -1.7% | |
| Southeast | 33,200 | 34,900 | 33,100 | -1,700 | 100 | -4.9% | 0.3% | |
| Southwest | 16,500 | 17,800 | 16,750 | -1,300 | -250 | -7.3% | -1.5% | |

A dash indicates that confidence intervals aren't available at this level.

¹ Excludes the self-employed, fishermen and other agricultural workers, and private household workers. For estimates of fish harvesting employment, and other fisheries data, go to labor.alaska.gov/research/seafood/seafood.htm.

² Goods-producing sectors include natural resources and mining, construction, and manufacturing.

³ Service-providing sectors include all others not listed as goods-producing sectors.

⁴ Private education only

⁵ Excludes uniformed military

⁶ Includes the University of Alaska

⁷ Includes public school systems

⁸ Fairbanks North Star Borough

Sources for Exhibits 1, 2, and 3: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics

Sources for Exhibit 4: Alaska Department of Labor and Workforce Development, Research and Analysis Section; also the U.S. Department of Labor, Bureau of Labor Statistics, for Anchorage/Mat-Su and Fairbanks

4 Unemployment Rates

Borough and census area

| | Prelim. | | | Revised | | |
|---|---------|-------|-------|---------|-------|-------|
| | 11/10 | 10/10 | 11/09 | 11/10 | 10/10 | 11/09 |
| SEASONALLY ADJUSTED | | | | | | |
| United States | 9.8 | 9.6 | 10.0 | | | |
| Alaska Statewide | 8.0 | 7.9 | 8.5 | | | |
| NOT SEASONALLY ADJUSTED | | | | | | |
| United States | 9.3 | 9.0 | 9.4 | | | |
| Alaska Statewide | 7.9 | 7.5 | 8.1 | | | |
| Anchorage/Mat-Su Region | 7.0 | 6.8 | 7.1 | | | |
| Municipality of Anchorage | 6.4 | 6.4 | 6.6 | | | |
| Matanuska-Susitna Borough | 9.1 | 8.2 | 9.2 | | | |
| Gulf Coast Region | 9.9 | 9.0 | 10.8 | | | |
| Kenai Peninsula Borough | 10.2 | 9.6 | 10.9 | | | |
| Kodiak Island Borough | 8.8 | 6.5 | 10.8 | | | |
| Valdez-Cordova Census Area | 10.0 | 9.0 | 10.3 | | | |
| Interior Region | 7.8 | 7.3 | 8.2 | | | |
| Denali Borough | 19.5 | 14.5 | 19.9 | | | |
| Fairbanks North Star Borough | 6.9 | 6.6 | 7.3 | | | |
| Southeast Fairbanks Census Area | 10.6 | 9.5 | 10.3 | | | |
| Yukon-Koyukuk Census Area | 15.7 | 13.1 | 15.4 | | | |
| Northern Region | 9.3 | 9.3 | 9.0 | | | |
| Nome Census Area | 11.9 | 11.8 | 12.2 | | | |
| North Slope Borough | 5.5 | 5.4 | 4.8 | | | |
| Northwest Arctic Borough | 11.9 | 12.2 | 12.3 | | | |
| Southeast Region | 8.0 | 7.3 | 8.3 | | | |
| Haines Borough | 10.1 | 8.0 | 11.3 | | | |
| Hoonah-Angoon Census Area ¹ | 19.3 | 13.6 | 23.8 | | | |
| Juneau, City and Borough of | 5.8 | 5.7 | 6.1 | | | |
| Ketchikan Gateway Borough ¹ | 8.2 | 7.4 | 8.1 | | | |
| Prince of Wales-Outer Ketchikan CA ¹ | 14.3 | 13.0 | 15.3 | | | |
| Sitka, City and Borough of | 6.6 | 6.1 | 7.0 | | | |
| Skagway, Municipality of ¹ | 26.0 | 20.2 | 17.5 | | | |
| Wrangell-Petersburg Census Area ¹ | 10.4 | 9.1 | 10.8 | | | |
| Yakutat, City and Borough of | 12.7 | 8.4 | 12.9 | | | |
| Southwest Region | 12.8 | 12.1 | 12.5 | | | |
| Aleutians East Borough | 12.7 | 8.0 | 11.1 | | | |
| Aleutians West Census Area | 7.7 | 7.9 | 8.4 | | | |
| Bethel Census Area | 13.7 | 13.4 | 13.2 | | | |
| Bristol Bay Borough | 8.1 | 6.7 | 8.1 | | | |
| Dillingham Census Area | 10.7 | 10.4 | 10.7 | | | |
| Lake and Peninsula Borough | 8.7 | 6.9 | 7.7 | | | |
| Wade Hampton Census Area | 18.8 | 18.1 | 18.7 | | | |

¹ Because of the creation of new boroughs, this borough or census area has been changed or no longer exists. Data for the Skagway Municipality and Hoonah-Angoon Census Area (previously Skagway-Hoonah-Angoon Census Area) became available in 2010. Data for the Wrangell Borough, and Petersburg and Prince of Wales-Hyder census areas will be available in 2011. Until then, data will continue to be published for the old areas.

Changes in Producing the Estimates

The U.S. Department of Labor's Bureau of Labor Statistics has implemented a change to the method used to produce state-wide wage and salary employment estimates. That change has resulted in increased monthly volatility in the wage and salary estimates for many states, including Alaska. Therefore, one should be very cautious in interpreting any over-the-year or month-to-month change for these monthly estimates. The Quarterly Census of Employment and Wages series may be a better source of information for trends analysis (<http://labor.alaska.gov/qcew.htm>).

For more current state and regional employment and unemployment data, visit our Web site: laborstats.alaska.gov

Employer Resources

Labor's Rapid Response team helps avoid or mitigate layoffs

The Alaska Department of Labor and Workforce Development's Rapid Response team helps both employers and employees through workplace transitions, including averting layoffs or helping people find work or benefits if they lose their jobs.

The eight-member team monitors and analyzes labor market trends and economic forecasts to anticipate and manage any upcoming changes, and identifies resources and strategies to avoid job loss and promote resolution.

Put into effect by the federal Workforce Investment Act, the program is designed to work with business and industry councils, labor organizations, and government agencies to seek solutions that may keep a business solvent, and to mitigate the effects on employees in case of layoffs.

The Rapid Response team helps companies no matter where they are in the business cycle — starting, growing, downsizing, or closing. The team can pay for feasibility studies for employee stock ownership plans, new product development, market

exploration, upgrading current workers' skills — anything that might create more jobs or maintain existing positions. If layoffs become necessary, the team also helps companies ensure the process is orderly and legal.

If layoffs are unavoidable, the team can quickly connect workers to benefits and services such as unemployment insurance, career counseling, and job search assistance.

The team also provides career exploration workshops and in some cases, may provide funding for job training and relocation. Workshop topics may include resume writing, job search skills, job interviews, career exploration, job training programs, labor market information, applying for unemployment insurance benefits — even how to deal with stress.

An employer's best strategy for managing workforce transitions is to use this wide range of available rapid response services.

For more information on this program, visit www.jobs.alaska.gov/RR/index.html, or e-mail the team at dol.rrteam@alaska.gov.