

ALASKA ECONOMIC

TRENDS

MEASURING ALASKA'S COST OF LIVING



June
1994

HIGHLIGHTS:
ALASKA WAGE RATES

ECONOMY BEGINS SEASONAL
WARMUP FROM WINTER

ALASKA DEPARTMENT OF LABOR
WALTER J. HICKEL, GOVERNOR

ALASKA ECONOMIC TRENDS

Contents

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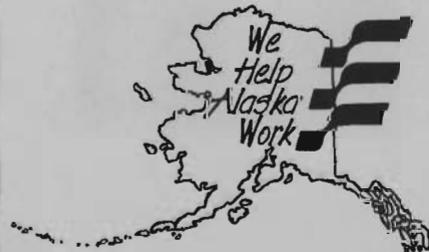
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**Alaska
Employment
Service**



- 1** Measuring Alaska's Cost of Living
- 10** Highlights: *Alaska Wage Rates 1993*
- 13** Alaska's Employment Scene
Economy Begins Seasonal Warmup from Winter
Employment Scene Tables:
 - 14 Nonagricultural Wage and Salary
Employment—Alaska & Anchorage
 - 14 Hours and Earnings for
Selected Industries
 - 15 Nonagricultural Wage and Salary
Employment in Other Economic Regions
 - 16 Unemployment Rates by
Region and Census Area

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Measuring Alaska's Cost of Living

by John Boucher

How much does it cost to live in Alaska? How much has Alaska's cost of living increased? These are two of the most frequently asked questions of the Alaska Department of Labor's Research and Analysis section. In answer to these questions, this article provides some of the latest cost of living measurements available for Alaska and explains the uses and limitations of these data.

A measure of inflation or cost differentials?

Two types of cost of living measurements are available for Alaska. If you are interested in how prices have changed in a particular place, commonly referred to as the inflation rate, you should use the Consumer Price Index (CPI). If you're interested in cost differences between two places—"Is it more expensive to live in Fairbanks than Seattle?"—then a cost of living measurement like the American Chamber of Commerce Researchers Association (ACCRA) index or the Runzheimer International study would best suit your needs.

Be aware of the method and the market basket

Since it is too expensive to price every item available to purchase, cost of living surveys track prices of a sample of items from common expenditure categories (such as housing expenses, medical expenses, food expenses, etc.). This sample of items is called the survey's market basket. Most surveys gear their market baskets toward a "typical" consumer.

When using a cost of living survey, it's a good idea to know what the survey's market basket is, and whose buying habits the survey simulates. All surveys give a list of the items in the market basket and define the type of consumer(s) the market basket represents. For example, the Consumer Price Index for All Urban Consumers (CPI-U) is designed to

represent consumption patterns of 80 percent of all urban consumers in the nation. The other surveys in this article have a narrower focus.

The CPI—the nation's inflation measure

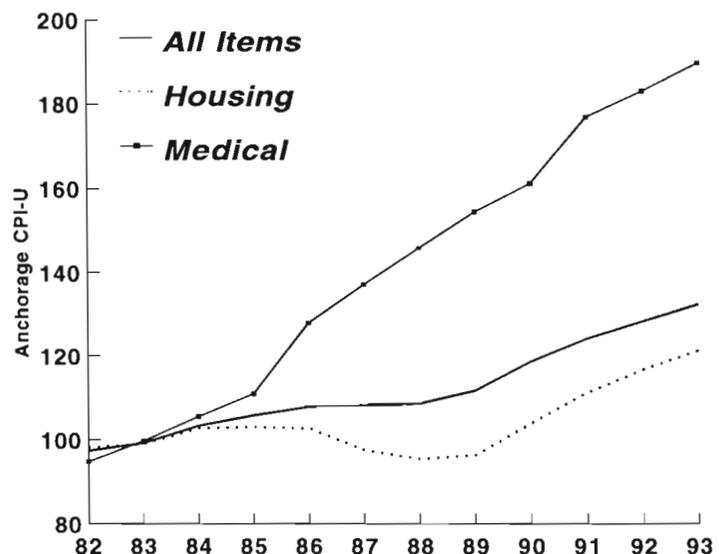
The majority of requests for Alaska's cost of living ask about the inflation rate. The Consumer Price Index (CPI) is a national survey designed to answer questions about price changes. CPI information is often used to adjust rents, wages or other monetary payments for the effects of inflation.

To produce the CPI, the U.S. Department of Labor's Bureau of Labor Statistics (BLS) gathers prices in 85 metropolitan areas throughout the country. Anchorage is the only city in Alaska surveyed; consequently, the Anchorage CPI is the only "Alaskan"

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Figure • 1

Anchorage Medical Costs Outpace Housing Costs



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

Table • 1

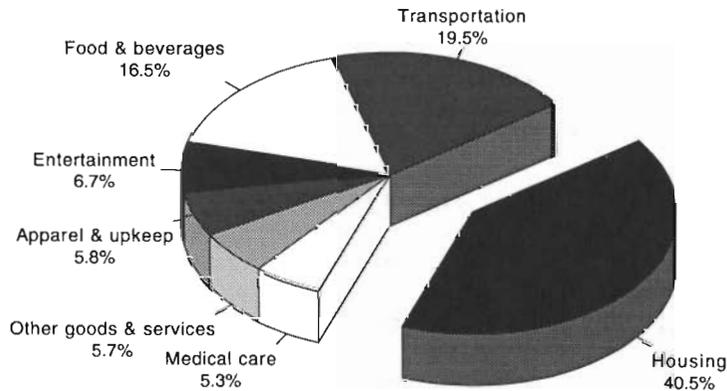
**Consumer Price Index—All Urban Consumers (CPI-U) U.S. City Average—
All Items & Anchorage, Alaska—All Items Annual Averages, 1960-1993**

Year	U.S. Average	Pct. Change from Prev. Yr.	Anch. Average	Pct. Change from Prev. Yr.	Year	U.S. Average	Pct. Change from Prev. Yr.	Anch. Average	Pct. Change from Prev. Yr.
1960	29.6		34.0		1981	90.9	10.3	92.4	8.1
1961	29.9	1.0	34.5	1.5	1982	96.5	6.2	97.4	5.4
1962	30.2	1.0	34.7	0.6	1983	99.6	3.2	99.2	1.8
1963	30.6	1.3	34.8	0.3	1984	103.9	4.3	103.3	4.1
1964	31.0	1.3	35.0	0.6	1985	107.6	3.6	105.8	2.4
1965	31.5	1.6	35.3	0.9	1986	109.6	1.9	107.8	1.9
1966	32.4	2.9	36.3	2.8	1987	113.6	3.6	108.2	0.4
1967	33.4	3.1	37.2	2.5	1988	118.3	4.1	108.6	0.4
1968	34.8	4.2	38.1	2.4	1989	124.0	4.8	111.7	2.9
1969	36.7	5.5	39.6	3.9	1990	130.7	5.4	118.6	6.2
1970	38.8	5.7	41.1	3.8	1991	136.2	4.2	124.0	4.6
1971	40.5	4.4	42.3	2.9	1992	140.3	3.0	128.2	3.4
1972	41.8	3.2	43.4	2.6	1993	144.5	3.0	132.2	3.1
1973	44.4	6.2	45.3	4.4					
1974	49.3	11.0	50.2	10.8	2nd half '89	125.3	4.7	112.5	3.3
1975	53.8	9.1	57.1	13.7	2nd half '90	132.6	5.8	120.4	7.0
1976	56.9	5.8	61.5	7.7	2nd half '91	137.2	3.5	124.7	3.6
1977	60.6	6.5	65.6	6.7	2nd half '92	141.4	3.1	129.1	3.5
1978	65.2	7.6	70.2	7.0	2nd half '93	145.3	2.8	132.8	2.9
1979	72.6	11.3	77.6	10.5					
1980	82.4	13.5	85.5	10.2					

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

Figure • 2

**Housing Is 40% of Anchorage CPI-U
Relative Importance of the Components, December 1993**



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

inflation measure. Unfortunately, Anchorage's inflation rate may not reflect price changes in every area of the state. In general, however, Anchorage price trends reflect changes in the cost of living for most Alaskans. If the Anchorage CPI doesn't adequately measure inflation in your area, you can choose a different area to measure inflation. Some users prefer to use Seattle's CPI, for example. But as a matter of practice, most Alaskan users prefer to use the Anchorage CPI rather than another area's CPI.

From an official standpoint, the Bureau of Labor Statistics recommends using the national CPI-U (U.S. City average) to adjust for the effects of inflation. BLS recommends this because the smaller size of the local area samples make them more prone to measurement errors. When you compare the Anchorage and the U.S. City CPIs since 1960, inflation has been significantly lower in Anchorage during the last 30 years than it has been in the rest of the nation. (See Table 1.) This is predominantly due to the difference in the rate of inflation for housing costs in Anchorage compared to the other areas in the CPI survey.

Housing key to Anchorage inflation rate

Analyzing inflation rates among expenditure categories can help clarify how different parts of the market basket affect the overall CPI. (See Figure 1.) For example, since the early 1980s health care costs have risen more rapidly than has the overall Anchorage CPI, while housing costs lagged behind until recently. (See Table 2.)

While health care costs have shot up in recent years, overall inflation has not followed. That's because of the relative weight health care expenditures are given in the consumer's overall budget. Each commodity group is given a weight—its contribution to the overall cost of living. Health care costs, for example, accounted for 5.3% of the total cost of living in the December 1993 index. Housing costs, on the other hand, accounted for 40.5% of the Anchorage CPI during the same period. (See Figure 2.)

Selected Components of the CPI-U, U.S. City Average & Anchorage, Alaska—1983-1993 Annual Averages

Year	ALL ITEMS LESS SHELTER				HOUSING			
	U.S. Average	Pct. Chg from Prev. Yr.	Anch. Average	Pct. Chg from Prev. Yr.	U.S. Average	Pct. Chg from Prev. Yr.	Anch. Average	Pct. Chg from Prev. Yr.
1983	99.8	3.7	99.9	3.7	99.5	2.7	99.0	0.8
1984	103.9	4.1	103.8	3.9	103.6	4.1	102.7	3.7
1985	107.0	3.0	107.5	3.6	107.7	4.0	103.0	0.3
1986	108.0	0.9	111.2	3.4	110.9	3.0	102.6	-0.4
1987	111.6	3.3	115.1	3.5	114.2	3.0	97.5	-5.0
1988	115.9	3.9	117.8	2.3	118.5	3.8	95.4	-2.2
1989	121.6	4.9	122.3	3.8	123.0	3.8	96.3	0.9
1990	128.2	5.4	128.0	4.7	128.5	4.5	103.9	7.9
1991	133.5	4.1	131.9	3.0	133.6	4.0	111.2	7.0
1992	137.3	2.8	134.6	2.0	137.5	2.9	116.6	4.9
1993	141.4	3.0	137.9	2.5	141.2	2.7	121.1	3.9

Year	TRANSPORTATION				FOOD & BEVERAGES			
	U.S. Average	Pct. Chg from Prev. Yr.	Anch. Average	Pct. Chg from Prev. Yr.	U.S. Average	Pct. Chg from Prev. Yr.	Anch. Average	Pct. Chg from Prev. Yr.
1983	99.3	2.4	98.5	1.8	99.5	2.3	99.7	2.6
1984	103.7	4.4	104.6	6.2	103.2	3.7	103.2	3.5
1985	106.4	2.6	108.2	3.4	105.6	2.3	106.2	2.9
1986	102.3	-3.9	107.8	-0.4	109.1	3.3	110.8	4.3
1987	105.4	3.0	111.3	3.2	113.5	4.0	113.1	2.1
1988	108.7	3.1	113.0	1.5	118.2	4.1	113.8	0.6
1989	114.1	5.0	116.7	3.3	124.9	5.7	117.2	3.0
1990	120.5	5.6	120.7	3.4	132.1	5.8	123.7	5.5
1991	123.8	2.7	121.7	0.8	136.8	3.6	127.7	3.2
1992	126.5	2.2	123.3	1.3	138.7	1.4	130.3	2.0
1993	130.4	3.1	128.8	4.5	141.6	2.1	131.2	0.7

Year	MEDICAL CARE				APPAREL & UPKEEP			
	U.S. Average	Pct. Chg from Prev. Yr.	Anch. Average	Pct. Chg from Prev. Yr.	U.S. Average	Pct. Chg from Prev. Yr.	Anch. Average	Pct. Chg from Prev. Yr.
1983	100.6	8.8	99.7	5.2	100.2	2.5	101.6	5.2
1984	106.8	6.2	105.5	5.8	102.1	1.9	101.7	0.1
1985	113.5	6.3	110.9	5.1	105.0	2.8	105.8	4.0
1986	122.0	7.5	127.8	15.2	105.9	0.9	109.0	3.0
1987	130.1	6.6	137.0	7.2	110.6	4.4	116.6	7.0
1988	138.6	6.5	145.8	6.4	115.4	4.3	119.1	2.1
1989	149.3	7.7	154.4	5.9	118.6	2.8	125.0	5.0
1990	162.8	9.0	161.2	4.4	124.1	4.6	127.7	2.2
1991	177.0	8.7	173.5	7.6	128.7	3.7	126.6	-0.9
1992	190.1	7.4	183.0	5.5	131.9	2.5	130.2	2.8
1993	201.4	5.9	189.6	3.6	133.7	1.4	131.2	0.8

The strong influence that housing costs have on the overall Anchorage CPI was particularly noticeable the last several years. From 1986 to 1988, falling housing costs offset increases in other components of the CPI, resulting in very low inflation during these three years. The recent increase in inflation in Anchorage is largely due to the change in

the housing market. When the housing component jumped from a 0.9% increase in 1989 to a 7.9% increase in 1990, Anchorage inflation followed suit, going from a 2.9% to a 6.2% increase. Since 1990, Anchorage's tighter housing market is the primary reason for its inflation rate being higher than the rest of the nation's.

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

T a b l e • 3

**Cost of Food for a Week in 21
Alaskan Communities—December 1993**

Community	Cost of Food, 1 Week	Pct. of Anch.
Anchorage	\$88.31	100
Barrow	189.00	214
Bethel	142.92	162
Cordova	140.70	159
Delta	115.25	131
Dillingham	156.66	177
Dutch Harbor	166.92	189
Fairbanks	92.59	105
Galena	160.51	182
Homer	109.82	124
Juneau	100.03	113
Kenai	107.90	122
Ketchikan	99.23	112
Kodiak	123.91	140
MatSu	114.46	130
Nome	147.23	167
Petersburg	109.31	124
Sitka	115.51	131
Tanana	200.52	227
Tok	136.84	155
Unalakleet	175.59	199

Notes: Costs are for a family of four with elementary school children.

Sales tax included in food cost.

Source: "Cost of Food for a Week," December 1993. University of Alaska Cooperative Extension Service, U.S. Department of Agriculture and SEA Grant Cooperating.

The housing component is unique in the CPI, especially in regard to homeownership costs. The CPI uses a method called *rental equivalency* which assumes that the consumer has just purchased or rented a home. To gauge housing expenditures, this method can have some shortcomings. In areas where housing prices and/or rents are changing rapidly, the inflation rate for the housing portion of the CPI could be exaggerated for homeowners who have a long-term fixed-rate mortgage. This is because their monthly house payments tend not to fluctuate to the extent that house prices and rents do. For this reason, the overall CPI figures can understate the inflation rate for homeowners during periods of rapidly declining house prices. The opposite is true during a period of rapidly increasing house prices and rents. To measure inflation without the housing component, BLS publishes a special index which excludes housing-related costs—the All Items Less Shelter Index. (See Table 2.) When comparing the national All Items Less Shelter index to the Anchorage All Items Less Shelter index, there is a much smaller difference

in the rate of inflation for Anchorage consumers over the long term than is indicated by comparing the All-Items indexes.

**CPI measures inflation—
not costs between locations**

CPI users should be aware of a common misinterpretation of the CPI index. It occurs when users compare CPI numbers among areas. For example, at 132.2 the annual average Anchorage CPI for 1993 is lower than the United States' average of 144.5. This does not mean that Anchorage has a lower cost of living than the rest of the United States. The CPI measures inflation, not costs. The lower Anchorage CPI for 1993 means that Anchorage prices have not risen as quickly as prices in the rest of the U.S. since the early 1980s. (The base period, or when the two indexes equaled 100, is 1982-84.)

**Three place-to-place comparisons—
each with different results**

There are different studies available to compare living costs between places. Due primarily to methodology differences, each survey shows a different result when you compare living costs between locations.

One available cost of living measurement is the University of Alaska's Cost of Food at Home study. It measures the cost to feed various size families in different locations in Alaska. The food basket provides a minimum level of nutrition to an individual or family at the lowest possible cost. The report also contains comparative information on some utility and fuel costs. One of its strengths is wide geographic coverage of Alaska. It provides comparative measures for Alaskan locations no other cost survey covers. Its primary weakness is that it only measures food and some utility costs. While important components of any consumer budget, food and utility costs alone don't provide a complete cost of living differential measurement.

Comparing living costs between Alaskan communities is complicated by several factors. Some goods and services available in larger cities are not readily available in

Cost of Food at Home for a Week in Eight Alaskan Cities, 1978-1993

Mo/ Yr	Anch.	Fbks.	Pct. of Anch.	Juneau	Pct. of Anch.	Bethel	Pct. of Anch.	Nome	Pct. of Anch.	Kodiak	Pct. of Anch.	Kenai	Pct. of Anch.	Tok	Pct. of Anch.
9/78	\$76.67	\$84.15	109.8	\$73.72	96.2	\$114.05	148.8	\$118.85	155.0	-	-	\$82.48	107.6	-	-
9/79	82.18	89.39	108.8	74.88	91.1	129.16	157.2	128.67	156.6	-	-	100.41	122.2	-	-
9/80	88.44	90.54	102.4	85.92	97.2	130.87	148.0	131.14	148.3	\$99.42	112.4	120.84	136.6	\$108.82	123.0
9/81	86.69	98.47	113.6	93.95	108.4	138.66	159.9	150.27	173.3	-	-	-	-	114.80	132.4
9/82	77.30	92.09	119.1	99.98	129.3	125.50	162.4	149.04	192.8	-	-	-	-	-	-
9/83	81.66	83.79	102.6	88.62	108.5	128.30	157.1	130.14	159.4	104.94	128.5	86.98	106.5	-	-
9/84	84.22	91.26	108.4	91.66	108.8	136.54	162.1	142.07	168.7	115.97	137.7	87.97	104.5	121.66	144.5
9/85	89.06	90.08	101.1	106.61	119.7	138.13	155.1	152.41	171.1	108.17	121.5	91.47	102.7	116.19	130.5
9/86	87.25	90.61	103.9	87.65	100.5	137.96	158.1	142.04	162.8	105.49	120.9	92.78	106.3	124.18	142.3
9/87	88.90	85.12	95.7	88.24	99.3	140.81	158.4	147.96	166.4	104.39	117.4	96.95	109.1	117.51	132.2
9/88	90.99	94.74	104.1	92.95	102.2	137.57	151.2	147.69	162.3	116.68	128.2	95.53	105.0	119.69	131.5
9/89	93.80	94.33	100.6	96.73	103.1	140.65	149.9	-	-	124.61	132.8	104.20	111.1	139.43	148.6
9/90	98.73	103.49	104.8	100.86	102.2	146.92	148.8	155.48	157.5	154.55	156.5	103.21	104.5	131.03	132.7
9/91	102.84	114.65	111.5	104.21	101.3	152.49	148.3	150.29	146.1	127.96	124.4	111.88	111.0	143.45	139.5
9/92	100.46	92.31	91.9	102.62	102.2	142.51	141.9	158.08	157.4	124.61	124.0	109.60	108.8	132.94	132.3
9/93	97.89	93.42	95.4	103.70	105.9	147.84	151.0	145.94	149.1	125.19	127.9	111.61	110.8	136.96	139.9

rural areas. The buying habits of urban residents can vary dramatically from rural residents, which can confuse cost of living comparisons. The contributions of subsistence to a household food budget can also complicate cost of living comparisons. The Cost of Food survey assumes that all foods are purchased in the local community—none is acquired through subsistence means or from merchants outside of the community.

Food costs are higher in rural Alaska

Table 3 shows the cost of food for a week for a family of four with elementary school children for 21 communities. The December 1993 figures show that Anchorage had the lowest food costs of the areas surveyed. The survey has consistently shown that larger cities in Alaska have food costs which are fairly comparable to those in Anchorage.

Overall, food costs tend to have three tiers in Alaska. The largest urban areas have the lowest food costs. Smaller communities on a major distribution system like a road or the Alaska Marine Highway tend to have slightly higher costs than the urban areas. The

Cost of Food at Home survey has consistently shown that the highest food costs are found in isolated communities supplied primarily by air. In places such as Bethel and Nome, food costs are 50 to 75 percent higher than in Anchorage.

The urban/rural cost differential in the Cost of Food at Home study presents an interesting contrast between Alaska and other areas of the United States. Other surveys show that in the Lower 48, large urban areas tend to have higher living costs, including food costs, than less populated areas. The opposite is true in Alaska. The cost of food and other basics such as fuel are higher in rural Alaskan communities than in the state's urban centers.

Another interesting point about this survey is that the three-tier structure of food costs in Alaska has not changed much during the last 15 years. Table 4 shows the difference in the cost of food between Anchorage and other Alaskan communities. It also shows the changes in costs over time within several communities in the study.

Notes: Family of four with elementary school children. Sales tax included in food prices. September 1979 data for Kenai not available. December 1979 data substituted.

- Data unavailable.

Source: "Cost of Food at Home for a Week," September 1978 to September 1993. University of Alaska Cooperative Extension Service, U.S. Department of Agriculture and SEA Grant Cooperating.

**ACCRA Cost of Living Index
20 Highest Cost Urban Areas—4th Quarter 1993**

City	All Items Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
Ketchikan, AK	155.6	134.7	182.4	160.0	140.5	197.0	139.1
Kodiak, AK	151.5	161.2	163.9	189.1	111.8	177.7	135.8
Boston, MA	137.1	119.1	171.9	180.6	117.9	150.9	108.4
Juneau, AK	136.6	136.4	147.5	151.8	122.1	169.4	123.6
Anchorage, AK	131.4	134.9	143.4	103.2	118.1	174.4	125.4
Los Angeles- Long Beach, CA	128.5	117.4	175.5	72.8	137.5	134.1	106.1
Fairbanks, AK	128.5	128.4	130.3	136.4	113.5	186.8	121.0
San Diego, CA	128.5	116.0	165.4	93.5	112.3	129.1	117.3
Philadelphia, PA	128.4	116.1	148.8	175.9	110.9	111.0	111.8
Seattle, WA	119.7	116.7	146.2	54.2	115.3	157.4	112.3
Boulder, CO	115.4	106.7	154.7	90.2	102.4	101.1	99.4
Santa Fe, NM	115.2	101.0	138.0	95.5	113.3	111.6	108.4
Washington, DC (Prince William, VA)	115.0	100.0	142.0	116.4	110.1	105.5	101.4
Buffalo, NY	114.5	116.2	116.8	133.2	113.4	104.4	108.9
Boca Raton, FL	114.5	100.5	125.0	117.9	116.8	108.4	110.7
Chicago, IL (Wheaton)	114.4	114.3	126.3	112.6	117.3	120.1	103.7
Manchester, NH	114.0	101.1	119.8	148.0	105.1	119.5	107.3
Visalia, CA	112.8	107.6	115.3	120.6	104.9	109.2	113.6
Wilmington, DE	112.5	120.2	116.8	118.3	97.5	121.8	107.8
Rochester, NY	112.4	117.9	115.4	119.7	116.1	117.5	104.2

Ranking of Alaska Cities by Category

Anchorage, AK	5	3	11	118	6	4	3
Fairbanks, AK	6	5	17	8	24	2	5
Juneau, AK	4	2	9	5	4	5	4
Ketchikan, AK	1	4	1	4	1	1	1
Kodiak, AK	2	1	5	1	32	3	2

Source: American Chamber of Commerce Researchers Association, *Urban Area Index Data, 4th Quarter 1993* (302 urban areas surveyed).

ACCRA places Alaskan cities among most expensive

Another cost of living measure is provided by the American Chamber of Commerce Researchers Association (ACCRA). The ACCRA cost of living study compares costs for roughly 300 cities in the United States, including several in Alaska. The ACCRA study is intended to replicate the consumption patterns of a mid-management executive's household.

In the ACCRA study, a standardized list of 59 items is priced during a fixed period of time. The average price data for every urban area are then converted into an index number for each expenditure category. Because

of the limited number of items priced, percentage differences between areas should not be treated as exact measures. Small differences should not be construed as significant, or even as a correct indication of which area is the more expensive. Aside from the limited number of items priced, the ACCRA index also does not take state and local taxes into account. This is in part due to the difficulty in reliably measuring an area's tax burden.

Five Alaskan cities are included in the most recently published ACCRA study (4th quarter 1993)—Anchorage, Fairbanks, Juneau, Ketchikan and Kodiak. The 4th Quarter 1993 ACCRA data show that the Alaskan cities are among the seven highest cost areas surveyed. (See

Table 5.) Fairbanks has the lowest index of the five Alaskan cities in the ACCRA study; however, the differences between Anchorage, Fairbanks and Juneau were relatively small. According to the index, all three of these communities have a cost of living roughly 30 percent higher than the all cities' average.

The five Alaska cities in the ACCRA study were among the highest cost cities surveyed for several of the six major components of the ACCRA index. Kodiak had the highest index for groceries and utilities. Ketchikan had the highest housing, transportation, health care and other miscellaneous goods and services costs.

ACCRA points to a smaller difference in housing costs

Housing costs have always been thought of as exceptionally high in Alaska. Although they are high, the ACCRA housing index shows that some areas in the nation have comparable housing costs. Generally, the lowest rankings for Alaskan cities were in the ACCRA housing or transportation cost indexes. The Anchorage utilities index was lower than one-third of the cities in the ACCRA study.

Comparative figures for Alaskan cities and other cities around the nation are presented in Tables 6 and 7. Table 6 shows the ACCRA cost of living indexes while Table 7 contains prices for some of the goods and services in the ACCRA study.

The ACCRA cost of living study is designed for spending patterns found in major American urban centers. The data collected in the pricing survey attempt to match the items found in urban areas. This process tends to ignore spending patterns found in atypical areas. For example, the transportation costs in the ACCRA study include items such as bus fare, the price of a gallon of gasoline, and automobile wheel balancing. This is problematic for Alaskan communities because air transportation is a more common, and more expensive, mode of travel.

ACCRA Cost of Living Index for Selected Cities—4th Quarter 1993

City	All Items Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
West							
Anchorage, AK	131.4	134.9	143.4	103.2	118.1	174.4	125.4
Fairbanks, AK	128.5	128.4	130.3	136.4	113.5	186.8	121.0
Juneau, AK	136.6	136.4	147.5	151.8	122.1	169.4	123.6
Ketchikan, AK	155.6	134.7	182.4	160.0	140.5	197.0	139.1
Kodiak, AK	151.5	161.2	163.9	189.1	111.8	177.7	135.8
Boise, ID	105.8	97.8	120.7	75.3	102.5	115.9	104.2
Las Vegas, NV	108.8	102.0	114.8	83.5	116.0	135.9	107.0
Portland, OR	108.3	102.2	124.0	68.6	108.3	127.5	105.5
San Diego, CA	128.5	117.4	175.5	72.8	137.5	134.1	106.1
Seattle, WA	119.7	116.7	146.2	54.2	115.3	157.4	112.3
Southwest/Mountain							
Dallas, TX	105.2	100.3	101.0	119.8	104.6	115.7	105.4
Denver, CO	105.1	97.9	120.2	90.3	107.0	126.2	96.0
Phoenix, AZ	103.6	101.3	96.3	103.1	116.8	121.9	104.0
Salt Lake City, UT	96.7	102.1	92.3	81.9	96.5	102.7	101.1
Santa Fe, NM	115.2	101.0	138.0	95.5	113.3	111.6	108.4
Midwest							
Columbus, OH	108.2	98.9	113.9	113.5	107.2	102.2	107.0
Lafayette, IN	101.9	109.2	100.7	108.2	89.7	96.2	102.7
Omaha, NE	92.9	94.8	86.6	101.3	106.6	86.3	92.1
Wichita, KS	96.3	84.6	95.7	97.2	99.5	106.0	98.7
Southeast							
Atlanta, GA	101.5	96.9	105.4	110.6	99.7	112.0	96.8
Baton Rouge, LA	100.7	95.0	96.6	127.1	104.5	94.1	99.2
Birmingham, AL	101.7	97.0	100.9	117.8	97.3	103.0	101.1
Miami, FL	110.4	94.9	110.5	125.3	114.8	127.4	108.7
Raleigh, NC	98.7	95.5	99.8	105.8	93.1	103.2	98.2
Atlantic/New England							
Boston, MA	137.1	119.1	171.9	180.6	117.9	150.9	108.4
Buffalo, NY	114.5	116.2	116.8	133.2	113.4	104.4	108.9
Manchester, NH	114.0	101.1	119.8	148.0	105.1	119.5	107.3
Philadelphia, PA	128.4	116.1	148.8	175.9	110.9	111.0	111.8

Runzheimer study shows smaller cost of living differential

A slightly different approach to calculating living-cost differences between cities is taken in the Runzheimer Living Cost Standards survey. Runzheimer International, a private research firm contracted by the Alaska Department of Labor's Workers' Compensation Division, looked at the comparative income necessary to maintain a certain standard of living in different areas of the coun-

Source: American Chamber of Commerce Researchers Association, Urban Area Index Data, 4th Quarter 1993 (302 urban areas surveyed).

T a b l e • 7

Average Price for Selected Goods & Services in Selected U.S. Cities

Region/City	1 lb. Ground Beef	1/2 gal. Whole Milk	1 doz. Grade A Lg. Eggs	1 lb. Coffee	2 BR Apt. Rent (Unfurn. ex. utils.)	House Purchase Price	Total Energy Cost	1 gal. Gas	Hospital Room	Office Visit Doctor	McDonald's Quarter pounder w/ cheese	Mens' Levi's 501/505
West												
Anchorage, AK	\$1.50	\$2.18	\$1.48	\$2.39	\$745	\$166,061	\$118	\$1.14	\$557	\$68.60	\$2.45	\$29.56
Fairbanks, AK	1.80	2.01	1.42	2.51	736	143,600	159	1.24	426	68.00	2.30	35.99
Juneau, AK	1.87	1.93	1.01	2.86	800	166,995	180	1.63	390	49.60	2.55	28.48
Ketchikan, AK	1.68	2.10	0.98	2.76	-	212,167	191	1.58	478	86.75	2.30	35.77
Kodiak, AK	2.09	2.39	1.52	3.69	752	187,500	221	1.54	518	52.67	2.59	36.41
Boise, ID	1.56	1.45	0.87	2.27	698	130,917	83	1.22	378	44.00	1.94	30.17
Las Vegas, NV	1.25	1.38	1.11	1.94	564	137,000	97	1.30	316	62.80	1.92	31.19
Portland, OR	1.83	1.46	0.94	2.43	650	142,500	72	1.30	462	48.65	1.94	26.77
San Diego, CA	1.48	1.51	1.74	2.07	884	207,500	83	1.25	566	49.11	1.95	24.69
Seattle, WA	1.76	1.60	1.12	2.59	595	181,596	55	1.20	516	57.88	2.08	26.32
Southwest/Mountain												
Dallas, TX	1.63	1.57	1.01	1.87	618	108,713	138	1.12	379	46.80	1.86	32.65
Denver, CO	1.32	1.58	0.78	1.99	644	136,604	99	1.14	432	53.80	2.02	27.77
Phoenix, AZ	1.51	1.46	0.74	2.00	537	107,863	117	1.21	395	49.12	1.97	33.15
Salt Lake City, UT	1.40	1.72	0.87	2.37	577	98,755	91	1.06	388	39.19	1.99	29.37
Santa Fe, NM	1.02	1.77	0.80	2.18	734	157,125	105	1.37	305	43.61	1.99	29.96
Midwest												
Columbus, OH	1.54	1.25	0.71	2.03	596	128,888	128	1.09	283	42.20	1.80	38.79
Lafayette, IN	1.71	1.51	0.82	2.28	480	117,517	119	1.02	358	38.60	1.73	38.99
Omaha, NE	1.36	1.36	0.78	1.85	460	98,620	111	1.16	275	32.20	1.79	28.19
Wichita, KS	0.99	1.24	0.71	1.81	446	114,258	110	1.06	413	39.95	1.83	27.42
Southeast												
Atlanta, GA	1.91	1.42	0.73	2.22	590	116,620	124	0.95	302	49.00	2.06	29.17
Baton Rouge, LA	1.40	1.30	0.86	1.94	482	112,650	144	1.12	340	39.00	1.75	27.97
Birmingham, AL	1.60	1.45	0.80	2.09	473	122,200	130	1.07	388	42.17	1.29	34.48
Miami, FL	1.82	1.46	0.83	1.75	645	121,829	142	1.19	439	60.00	1.94	33.75
Raleigh, NC	1.45	1.47	0.96	1.77	488	120,880	119	1.06	276	46.50	1.81	28.72
Northeast/Atlantic												
Boston, MA	1.67	1.40	1.24	2.41	730	214,232	211	1.17	581	62.00	2.13	30.59
Buffalo, NY	2.39	1.25	0.90	2.29	468	146,925	145	1.22	314	37.00	1.99	32.79
Manchester, NH	1.65	1.16	0.93	2.22	618	137,500	171	1.09	436	47.40	1.99	34.99
Philadelphia, PA	1.84	1.23	1.02	2.43	706	179,084	209	1.11	427	40.00	1.90	31.50
ALL CITIES MEAN ^{1/}	1.53	1.40	0.85	2.08	494	116,831	112	1.11	328	39.47	1.86	30.97

- Data not available.

^{1/} All cities mean is the arithmetic mean price of all 302 cities in the 4th Quarter 1993 survey.

Source: American Chamber of Commerce Researchers Association, Cost of Living Index, Average Price Data, 4th Quarter 1993 (302 urban areas surveyed).

try. Runzheimer's approach takes into account certain elements left out of the ACCRA cost of living measure, such as an area's tax rates.

In the Runzheimer study, a "base" family was created—two parents and two children. They own their home, a 1,500 square foot single-family home with 3 bedrooms and 1.5 baths. They drive one automobile, a late model Ford Tempo, approximately 16,000 miles annually. This family has an income of

\$32,000 in Standard City, a fictitious city which has costs close to the median of all the cities in the survey. The standard of living attainable in Standard City was then priced in each of the surveyed areas.

The Runzheimer survey shows that Anchorage, Fairbanks and Juneau have a moderately higher cost of living than the other areas surveyed. The cost of living in these three Alaska locations ranges from 4.8% to 12.0% above Standard City. (See Table 8.)

Runzheimer International Living Cost Standards December 1993

Region/City	Total Costs	Pct. of Std. City	Taxation	Pct. of Std. City	Trans- portation	Pct. of Std. City	Housing	Pct. of Std. City	Misc. Goods & Services, Other	Pct. of Std. City
West										
State of Alaska, Composite	\$34,517	107.9	\$6,530	89.4	\$3,586	115.0	\$11,675	114.2	\$12,726	112.0
Anchorage, AK	34,157	106.7	6,485	88.8	3,653	117.1	11,434	111.9	12,585	110.8
Fairbanks, AK	33,545	104.8	6,474	88.7	3,610	115.7	10,670	104.4	12,791	112.6
Juneau, AK	35,846	112.0	6,630	90.8	3,495	112.1	12,919	126.4	12,802	112.7
Boise, ID	29,387	91.8	7,337	100.5	2,968	95.2	8,219	80.4	10,863	95.6
Las Vegas, NV	32,294	100.9	6,231	85.3	3,782	121.3	11,068	108.3	11,213	98.7
Portland, OR	33,751	105.5	7,831	107.3	3,208	102.9	11,403	111.6	11,309	99.6
San Diego, CA	39,007	121.9	6,930	94.9	3,499	112.2	16,855	164.9	11,723	103.2
Seattle, WA	34,984	109.3	6,861	94.0	3,408	109.3	13,399	131.1	11,316	99.6
Southwest/Mountain										
Dallas, TX	30,869	96.5	7,378	101.1	3,447	110.5	8,802	86.1	11,242	99.0
Denver, CO	31,906	99.7	6,881	94.2	3,533	113.3	10,268	100.5	11,224	98.8
Phoenix, AZ	30,204	94.4	6,914	94.7	3,621	116.1	8,591	84.1	11,078	97.5
Salt Lake City, UT	31,070	97.1	7,654	104.8	3,183	102.1	9,611	94.0	10,622	93.5
Santa Fe, NM	33,246	103.9	6,313	86.5	3,241	103.9	12,501	122.3	11,191	98.5
Midwest										
Columbus, OH	32,563	101.8	8,193	112.2	2,949	94.5	10,165	99.5	11,256	99.1
Lafayette, IN	30,073	94.0	7,516	102.9	2,981	95.6	8,748	85.6	10,828	95.3
Omaha, NE	31,333	97.9	7,894	108.1	3,029	97.1	9,522	93.2	10,888	95.9
Wichita, KS	29,698	92.8	7,183	98.4	3,009	96.5	8,659	84.7	10,847	95.5
Southeast										
Atlanta, GA	32,063	100.2	7,574	103.7	3,237	103.8	9,874	96.6	11,378	100.2
Baton Rouge, LA	28,655	89.5	6,364	87.2	3,539	113.5	7,983	78.1	10,769	94.8
Birmingham, AL	30,264	94.6	7,125	97.6	2,978	95.5	9,309	91.1	10,852	95.5
Miami, FL	33,216	103.8	7,129	97.6	3,778	121.1	11,249	110.1	11,060	97.4
Raleigh, NC	32,112	100.4	7,898	108.2	2,896	92.9	10,471	102.4	10,847	95.5
Atlantic/New England										
Concord, NH	33,867	105.8	8,136	111.4	3,011	96.5	11,647	114.0	11,073	97.5
Norfolk, VA	31,900	99.7	7,490	102.6	2,985	95.7	10,213	99.9	11,212	98.7
Portland, ME	32,423	101.3	7,569	103.7	2,996	96.1	10,676	104.5	11,182	98.4
STANDARD CITY, USA	32,000	—	7,301	—	3,119	—	10,221	—	11,359	—

For comparison purposes, many of the cities which appear in the ACCRA data in Tables 6 and 7 are included in the Runzheimer data in Table 8.

Lower taxes contribute to lower living costs

The component indexes of the Alaskan cities in the Runzheimer study range from 10 to 20 percent above the average cost of living except the taxation component. The Run-

zheimer study indicates that the portion of income that goes to taxes in Alaska is about 10 to 12 percent below the average of the areas studied. This is the main reason why the Runzheimer index does not show Anchorage's, Fairbanks' and Juneau's living costs as high as the cost of purchasing goods and services would indicate. Another factor to remember is that Runzheimer does not take into account a program like Alaska's Permanent Fund Dividend. If every member of the fictitious Runzheimer family re-

Source: Runzheimer's Living Cost Index, December 1993.

ceived an Alaska Permanent Fund check, that would add about \$3,700 to the household's pre-tax income. This amounts to a significant reduction in the overall tax burden on Alaskans.

Summary

When looking at cost of living information, first decide what type of comparison needs to be made. Are you interested in how prices have changed over time, or how costs differ between places? The answer narrows the field of appropriate cost of living surveys.

Next decide on the suitability of different surveys—some surveys look at subsets of the total cost of living package, such as the Cost of Food at Home survey. Some surveys might look at a population unlike the one

being studied. The ACCRA survey's mid-management family does not reflect the cost of living for poverty income families.

In Alaska, particularly in smaller communities, survey choices are few. Only the Cost of Food at Home and the ACCRA Cost of Living Index include more than the three largest Alaska cities. These surveys have limitations in the scope of goods priced. For this reason, a data user might be forced to use an index which only approximates cost of living differences.

Given their limitations, most cost of living indexes involve a compromise answer. Still, the indexes in this article provide baseline information to help answer these questions. When used with care, the information can help you compare how far your dollar will go.

HIGHLIGHTS:

Alaska Wage Rates 1993

by JoAnn Wilson

JoAnn Wilson is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. She is located in Juneau.

Alaska Wage Rates 1993 is the 18th edition of the annual wage rate survey conducted by the Alaska Department of Labor (DOL), Research and Analysis.

Survey Questions and Response Rate

During the summer of 1993, the Alaska DOL Research and Analysis Section mailed questionnaires to private employers in the state, asking them to report the gross rates and frequency of payment (e.g., hourly, monthly), the number of workers in each occupation paid at each rate, the number of hours worked per week, and if the reported wage was entry level. A total of 1,516 employers with businesses located in all of Alaska's six economic regions responded. (See inside back cover.)

The wage data for Alaska and the six economic regions are presented in separate tables in the publication. To ensure confidentiality of wage rate information, each occupation which appears in *Alaska Wage Rates 1993* was reported for at least 15 workers by a minimum of seven employers or 30 workers by five employers. A total of 154 occupations met at least one of these criteria. An adequate number of responses were also received to publish entry-level wages for 41 occupations. This is the first year that *Alaska Wage Rates* has included entry-level wage data.

Highest and Lowest Median Wages

Employees in the occupational category of professional, paraprofessional and technical

¹The median hourly wage for an occupation is the wage at which half of the employees in the occupation earn more and half earn less.

occupations received the highest wages, with a median¹ hourly wage of \$19.34. Workers in service occupations received the lowest median wages (\$7.00 per hour). (See Figure 1.)

Of the 10 occupations with the highest median hourly wage, eight belong to the professional, paraprofessional and technical category. (See Table 1.) Of the occupations with the lowest median hourly wage, all but two are service occupations and half are food and beverage preparation and service occupations. (See Table 2.)

Median Wages by Industry

For many occupations, the wage varies by industry. While the sample was too small to permit publishing many wages at this greater level of detail, it is possible to give some examples.

Table 3 presents the median hourly wages of workers in health-related occupations by industry. For most of these occupations, the workers employed by hospitals received higher wages than workers who were not. The exceptions are pharmacists and physical therapists working in hospitals; their median wages were slightly lower than those of similar workers who were not employed by hospitals.

Industry is a factor in the wages of many other workers besides those in health-related occupations. For example, the median wage of aircraft pilots and navigators, regardless of industry, was \$21.49; for those employed in the nonscheduled air transportation sector, the median wage was much lower, \$15.64. For aircraft mechanics, the overall median wage of \$16.94 was higher than that received by the same workers in the nonscheduled air transportation sector (\$16.50) but less than that received in the scheduled air transportation sector (\$17.75).

Wages for occupations which occur across many industries may also vary by industry. For example, secretaries are employed in virtually every industrial sector, with an overall median hourly wage of \$12.31. However, the median wage for secretaries ranged from a high of \$18.28 for the mining industry

Occupations with Highest Median Hourly Wage^{1/}—Alaska (July 1993)



^{1/} Total of 154 selected occupations.

Source: Alaska Department of Labor, Research & Analysis Section.

Occupations with Lowest Median Hourly Wage^{1/}—Alaska (July 1993)



^{1/} Total of 154 selected occupations.

Minimum Wage Rates (4/1/92) = \$4.75/hr. (Nonagricultural Workers).

Source: Alaska Department of Labor, Research & Analysis Section.

T a b l e • 3

Median Hourly Wages for Selected Health-Related Occupations by Hospital and Nonhospital Employment—Alaska Statewide (July 1993)

	Median Wage All Industries	Median Wage Hospitals	Median Wage All Industries Except Hospital
Registered Nurses (RNs)	\$20.53	\$21.00	\$18.00 ^{1/}
Licensed Practical Nurses (LPNs)	14.46	15.50	14.28 ^{1/}
Nursing Aides, Orderlies & Attendants	10.24	11.13	9.97
Medical Laboratory Technicians	17.91	18.50	13.10
Medical Records Technicians	11.90	11.90	11.77
Pharmacists	28.25	27.35	28.25 ^{2/}
Physical Therapists	23.00	22.65	23.06
Radiologic Technicians	17.10	17.50	16.00
Social Workers	13.44	20.11	12.75

1/ The median wage for offices and clinics of doctors of medicine was \$16.18 for RNs and \$12.75 for LPNs.

2/ Most of these workers are employed in drug stores and proprietary stores.

Source: Alaska Department of Labor, Research & Analysis Section.

F i g u r e • 1

**Median Hourly Wages by Occupational Category
Alaska (July 1993)**



Source: Alaska Department of Labor, Research & Analysis Section.

to a low of \$9.62 for membership organizations, a component of the services industry. Similarly, the median hourly wage for receptionists across all industries was \$9.75. However, receptionists employed in the health services industry averaged \$11.00 per hour and those employed in the finance, insurance, and real estate industry averaged only \$8.58. Lowest of all were receptionists employed in retail trade with a median hourly wage rate of \$7.00.

Economy Begins Seasonal Warmup from Winter

by Holly Stinson

Alaska's unemployment rate fell from 9.9% in February to 9.1% in March—the second decline in three months. (See Table 4.) The drop in the state's unemployment rate occurred as the economy began to warm up from its winter deep freeze. Seasonal industries such as construction, along with new jobs at just-opening retail stores, led the employment gains from February. (See Table 1.) The over-the-month change in employment was smaller than, but similar to, the last three years' seasonal increase. (See Figure 1.)

Unemployment rates in most of Alaska's regions followed suit and fell in March. The state's larger urban areas and the Aleutians, where crab and bottomfish industries dominate, had the lowest rates. Aleutians East Borough and Aleutians West Census Area both registered unemployment rates below 2 percent. The highest rates—over 18 percent—were in the Denali Borough and Yukon-Koyukuk Census Area.

Construction industry leads job growth

Besides contributing to the seasonal increase in employment, the construction industry showed the strongest over-the-year growth at over 20 percent, with 1,800 more jobs this March. (See Figure 2.) Some of this growth is due to the oil pipeline rehabilitation and code compliance project. Large public projects are also responsible for much of the construction job growth. These include the new state courthouse in Anchorage and the federally-funded Alaska Native hospitals in Anchorage and Kotzebue.

The other current job generator in Alaska's economy continues to be retail trade. New store openings in March accounted for most of the 1,000 jobs added since February. Wal-Mart entered the retail blitzkrieg in South-central, opening two stores in Anchorage and one in Wasilla. Kmart opened its second Anchorage store and hired staff in Juneau in

preparation for a late April opening. In the Gulf Coast, Fred Meyer added retail jobs at its new Soldotna store scheduled to open in early April.

Tough times for timber and fish

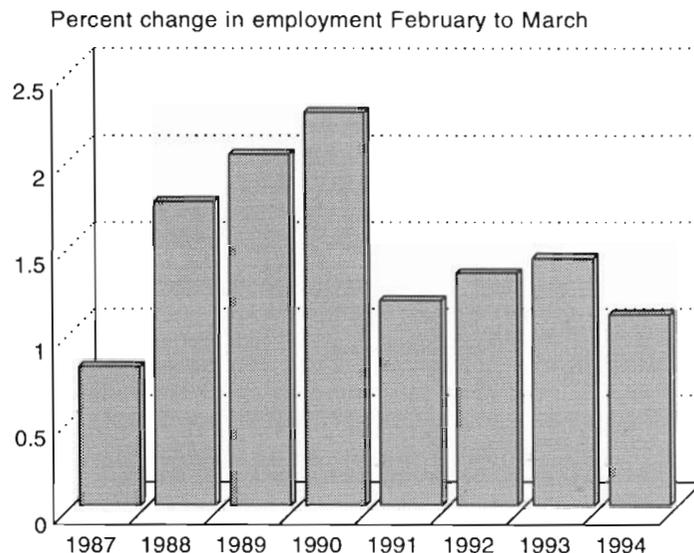
Except for construction, all of Alaska's job growth is in the services-producing sector. The other goods-producing industries, mining and manufacturing, have fewer jobs this March than last year. Manufacturing has two negatives pulling it down as change continues in both the seafood and timber industries. For the third month in a row, there were fewer seafood processing jobs than the same month last year.

March saw the beginning of the spring herring fisheries in Southeast. Early test catches in Prince William Sound pointed to possi-

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Figure • 1

Seasonal Job Gains Similar to Last Three Years



Source: Alaska Department of Labor, Research & Analysis Section.

Table • 1

Nonagricultural Wage and Salary Employment by Place of Work

Alaska

	p/		r/			Changes from		
	3/94	2/94	3/93	2/94	3/93			
Total Nonag. Wage & Salary	247,800	245,100	241,600	2,700	6,200			
Goods-producing	35,800	34,800	35,700	1,000	100			
Mining	9,600	9,400	9,700	200	-100			
Construction	10,100	9,600	8,300	500	1,800			
Manufacturing	16,100	15,800	17,700	300	-1,600			
Durable Goods	2,200	1,900	2,600	300	-400			
Lumber & Wood Products	1,700	1,400	2,000	300	-300			
Nondurable Goods	13,900	13,900	15,100	0	-1,200			
Seafood Processing	10,600	10,600	11,500	0	-900			
Pulp Mills	500	500	900	0	-400			
Service-producing	212,000	210,300	205,900	1,700	6,100			
Transportation	21,800	21,600	21,500	200	300			
Trucking & Warehousing	2,800	2,800	2,800	0	0			
Water Transportation	1,600	1,600	1,600	0	0			
Air Transportation	7,000	7,000	7,000	0	0			
Communications	3,700	3,700	3,600	0	100			
Trade	47,600	46,500	44,600	1,100	3,000			
Wholesale Trade	7,900	7,800	7,600	100	300			
Retail Trade	39,700	38,700	37,000	1,000	2,700			
Gen. Merch. & Apparel	8,200	7,500	6,000	700	2,200			
Food Stores	6,500	6,400	6,600	100	-100			
Eating & Drinking Places	12,600	12,400	12,400	200	200			
Finance-Ins. & Real Estate	11,200	11,200	10,700	0	500			
Services & Misc.	55,600	55,400	54,200	200	1,400			
Hotels & Lodging Places	4,500	4,400	4,400	100	100			
Health Services	12,400	12,400	12,000	0	400			
Government	75,800	75,600	74,900	200	900			
Federal	19,600	19,500	19,400	100	200			
State	22,200	22,100	21,900	100	300			
Local	34,000	34,000	33,600	0	400			

Municipality of Anchorage

	p/		r/			Changes from		
	3/94	2/94	3/93	2/94	3/93			
Total Nonag. Wage & Salary	115,700	114,500	112,500	1,200	3,200			
Goods-producing	9,800	9,600	9,500	200	300			
Mining	3,200	3,200	3,400	0	-200			
Construction	5,000	4,900	4,400	100	600			
Manufacturing	1,600	1,500	1,700	100	-100			
Service-producing	105,900	104,900	103,000	1,000	2,900			
Transportation	12,000	11,900	11,900	100	100			
Air Transportation	4,500	4,400	4,400	100	100			
Communications	2,400	2,300	2,300	100	100			
Trade	26,300	25,600	24,900	700	1,400			
Wholesale Trade	5,900	5,800	5,700	100	200			
Retail Trade	20,400	19,800	19,200	600	1,200			
Gen. Merch. & Apparel	4,300	3,800	3,000	500	1,300			
Food Stores	3,000	3,000	3,100	0	-100			
Eating & Drinking Places	6,800	6,600	6,900	200	-100			
Finance-Ins. & Real Estate	6,900	6,800	6,600	100	300			
Services & Misc.	31,000	30,900	30,400	100	600			
Hotels & Lodging Places	2,200	2,200	2,300	0	-100			
Health Services	6,300	6,400	6,200	-100	100			
Government	29,700	29,700	29,200	0	500			
Federal	11,700	11,600	11,500	100	200			
State	8,500	8,500	8,200	0	300			
Local	9,500	9,600	9,500	-100	0			

Table • 2

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/	3/93	p/	r/	3/93	p/	r/	3/93
	3/94	2/94		3/94	2/94		3/94	2/94	
Mining	\$1,313.20	\$1,305.57	\$1,194.26	53.6	52.9	50.2	\$24.50	\$24.68	\$23.79
Construction	1,086.54	981.54	1,020.61	45.5	42.0	43.1	23.88	23.37	23.68
Manufacturing	473.10	570.86	527.56	49.8	63.5	54.5	9.50	8.99	9.68
Seafood Processing	411.81	559.21	487.52	54.4	73.1	61.4	7.57	7.65	7.94
Trans., Comm. & Utilities	615.81	629.34	621.52	32.6	34.0	34.0	18.89	18.51	18.28
Trade	372.24	369.20	358.39	33.0	32.5	32.2	11.28	11.36	11.13
Wholesale	608.01	597.79	565.44	39.1	38.1	37.2	15.55	15.69	15.20
Retail	325.31	323.73	316.37	31.8	31.4	31.2	10.23	10.31	10.14
Finance-Ins. & R.E.	457.27	468.14	432.07	34.8	35.6	35.3	13.14	13.15	12.24

Notes to Tables 1-3:

Tables 1&2- Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Table 3- Prepared in part with funding from the Alaska State Employment Security Division.

p/ denotes preliminary estimates.

r/ denotes revised estimates.

Government includes employees of public school systems and the University of Alaska.

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

Benchmark: March 1993

Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region	p/	r/	Changes from		
	3/94	2/94	3/93	2/94	3/93
Total Nonag. Wage & Salary	31,350	30,750	31,900	600	-550
Goods-producing	3,900	3,550	4,750	350	-850
Mining	200	150	300	50	-100
Construction	1,100	950	1,100	150	0
Manufacturing	2,600	2,450	3,350	150	-750
Durable Goods	1,200	1,050	1,550	150	-350
Lumber & Wood Products	1,150	1,000	1,500	150	-350
Nondurable Goods	1,400	1,400	1,800	0	-400
Seafood Processing	650	650	650	0	0
Pulp Mills	550	550	900	0	-350
Service-producing	27,450	27,200	27,150	250	300
Transportation	2,500	2,450	2,500	50	0
Trade	5,550	5,500	5,350	50	200
Wholesale Trade	500	500	500	0	0
Retail Trade	5,050	5,000	4,850	50	200
Finance-Ins. & Real Estate	1,200	1,200	1,200	0	0
Services & Misc.	5,650	5,550	5,450	100	200
Government	12,550	12,500	12,650	50	-100
Federal	1,850	1,850	1,950	0	-100
State	5,500	5,500	5,550	0	-50
Local	5,200	5,150	5,150	50	50

Anchorage-MatSu Region

Total Nonag. Wage & Salary	124,550	123,350	120,800	1,200	3,750
Goods-producing	10,500	10,350	10,000	150	500
Mining	3,350	3,300	3,550	50	-200
Construction	5,450	5,400	4,700	50	750
Manufacturing	1,700	1,650	1,750	50	-50
Service-producing	114,050	113,000	110,800	1,050	3,250
Transportation	12,850	12,750	12,700	100	150
Trade	28,700	27,750	26,850	950	1,850
Finance-Ins. & Real Estate	7,250	7,250	6,950	0	300
Services & Misc.	32,650	32,650	32,200	0	450
Government	32,600	32,600	32,100	0	500
Federal	11,800	11,700	11,650	100	150
State	9,350	9,350	9,000	0	350
Local	11,450	11,550	11,450	-100	0

Gulf Coast Region

Total Nonag. Wage & Salary	23,850	23,150	23,050	700	800
Goods-producing	6,050	5,500	5,750	550	300
Mining	1,000	1,000	1,050	0	-50
Construction	1,000	950	650	50	350
Manufacturing	4,050	3,550	4,050	500	0
Seafood Processing	2,900	2,450	2,850	450	50
Service-producing	17,800	17,650	17,300	150	500
Transportation	2,050	2,000	2,000	50	50
Trade	4,000	3,950	3,750	50	250
Wholesale Trade	450	450	450	0	0
Retail Trade	3,550	3,500	3,300	50	250
Finance-Ins. & Real Estate	600	600	600	0	0
Services & Misc.	4,900	4,850	4,600	50	300
Government	6,250	6,250	6,350	0	-100
Federal	600	600	600	0	0
State	1,750	1,750	1,800	0	-50
Local	3,900	3,900	3,950	0	-50

Interior Region	p/	r/	Changes from:		
	3/94	2/94	3/93	2/94	3/93
Total Nonag. Wage & Salary	32,900	32,750	31,350	150	1,550
Goods-producing	2,300	2,200	2,000	100	300
Mining	800	750	550	50	250
Construction	950	900	900	50	50
Manufacturing	550	550	550	0	0
Service-producing	30,600	30,550	29,350	50	1,250
Transportation	2,350	2,300	2,250	50	100
Trade	6,800	6,900	6,300	-100	500
Finance-Ins. & Real Estate	1,100	1,050	1,050	50	50
Services & Misc.	7,150	7,150	6,800	0	350
Government	13,200	13,150	12,950	50	250
Federal	3,900	3,900	3,750	0	150
State	4,700	4,700	4,650	0	50
Local	4,600	4,550	4,550	50	50

Fairbanks North Star Borough

Total Nonag. Wage & Salary	28,750	28,650	27,600	100	1,150
Goods-producing	2,150	2,050	1,850	100	300
Mining	650	600	450	50	200
Construction	950	900	900	50	50
Manufacturing	550	550	500	0	50
Service-producing	26,600	26,600	25,750	0	850
Transportation	1,950	1,950	1,900	0	50
Trucking & Warehousing	450	450	400	0	50
Air Transportation	600	600	550	0	50
Communications	250	250	250	0	0
Trade	6,400	6,500	5,950	-100	450
Wholesale Trade	800	800	750	0	50
Retail Trade	5,600	5,700	5,200	-100	400
Gen. Merch. & Apparel	1,150	1,200	900	-50	250
Food Stores	650	650	650	0	0
Eating & Drinking Places	2,100	2,100	1,900	0	200
Finance-Ins. & Real Estate	1,000	1,000	1,000	0	0
Services & Misc.	6,600	6,550	6,300	50	300
Government	10,650	10,600	10,600	50	50
Federal	3,200	3,200	3,150	0	50
State	4,450	4,450	4,450	0	0
Local	3,000	2,950	3,000	50	0

Southwest Region

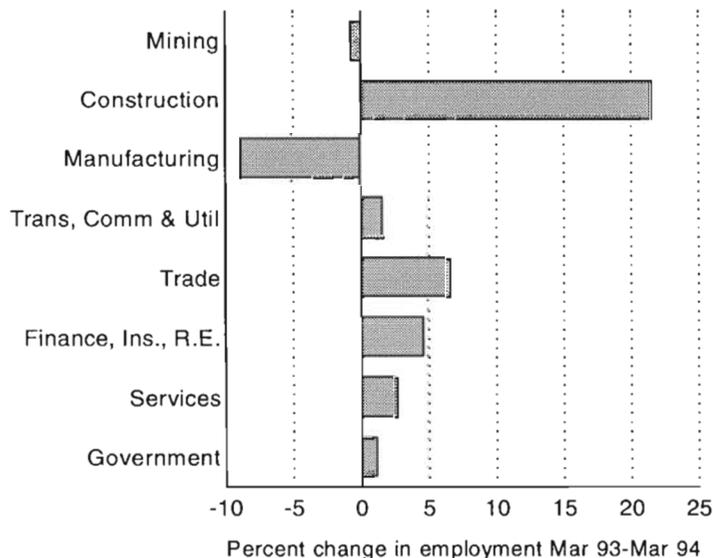
Total Nonag. Wage & Salary	19,350	19,800	19,900	-450	-550
Goods-producing	7,250	7,750	8,200	-500	-950
Seafood Processing	7,000	7,450	7,950	-450	-950
Service-producing	12,100	12,050	11,700	50	400
Government	6,250	6,300	6,250	-50	0
Federal	1,150	1,150	1,200	0	-50
State	500	500	500	0	0
Local	4,600	4,650	4,550	-50	50

Northern Region

Total Nonag. Wage & Salary	15,400	15,150	14,550	250	850
Goods-producing	5,650	5,500	5,100	150	550
Mining	4,250	4,150	4,300	100	-50
Service-producing	9,750	9,650	9,450	100	300
Government	4,750	4,750	4,500	0	250
Federal	200	200	200	0	0
State	350	350	350	0	0
Local	4,200	4,200	3,950	0	250

Figure • 2

Construction Industry Leads Job Growth



Source: Alaska Department of Labor, Research & Analysis Section.

bly a second year of poor returns and many diseased herring. In the Gulf of Alaska cod fishing shut down in mid-March. This fishery, which was year-round just five years ago, had a 10-week season this year. Gains in seafood processing jobs in the Gulf Coast region were offset by over-the-month losses in Southwest as crab and pollock fishing ended in the Bering Sea. (See Table 3.)

Bad news in the forest products industry spread from Southeast to Southcentral Alaska. Chugach Alaska announced a second shutdown of its joint-venture sawmill in Seward, four years after it began operating. Because of high prices for whole logs, the sawmill's operators made an economic decision to export timber rather than produce finished wood products. The mill had reopened just over a year ago after being closed for more than a year, and employed 75. Efforts are continuing to find another source of timber to keep the mill operating.

An even larger blow was dealt to the forest products industry in Southeast Alaska when the U.S. Forest Service announced cancellation of its contract allowing Alaska Pulp Corp. to harvest timber in the Tongass National Forest. This could mean that Alaska

Table • 4

Unemployment Rates by Region & Census Area

	Percent Unemployed	
	p/	r/
Alaska Statewide	9.1	9.9
Anch.-MatSu Region	7.6	8.3
Municipality of Anchorage	6.7	7.2
MatSu Borough	13.2	14.7
Gulf Coast Region	13.3	14.5
Kenai Peninsula Borough	15.7	17.2
Kodiak Island Borough	7.5	7.0
Valdez-Cordova	11.2	13.4
Interior Region	10.4	11.2
Denali Borough	18.7	18.3
Fairbanks North Star Borough	9.5	10.3
Southeast Fairbanks	15.6	17.4
Yukon-Koyukuk	18.8	17.7
Northern Region	10.8	11.1
Nome	12.7	13.6
North Slope Borough	4.1	3.9
Northwest Arctic Borough	17.2	17.2
Southeast Region	11.0	12.0
Haines Borough	15.7	17.1
Juneau Borough	7.2	7.8
Ketchikan Gateway Borough	11.2	12.4
Pr. of Wales-Outer Ketchikan	17.0	19.2
Sitka Borough	12.8	13.4
Skagway-Yakutat-Angoon	17.1	19.6
Wrangell-Petersburg	14.1	15.2
Southwest Region	6.1	6.1
Aleutians East Borough	1.7	2.1
Aleutians West	1.1	1.2
Bethel	7.9	7.5
Bristol Bay Borough	9.8	9.8
Dillingham	8.8	9.8
Lake & Peninsula Borough	8.2	7.8
Wade Hampton	12.4	11.9
Seasonally Adjusted Rates		
Alaska Statewide	8.3	8.2
United States	6.5	6.5

p/ denotes preliminary estimates r/ denotes revised estimates
Benchmark: March 1993

- **Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.**
- **The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.**

Source: Alaska Department of Labor, Research & Analysis Section.

Pulp, which already shut down its pulp mill in Sitka, would close its sawmill in Wrangell where more than 200 workers are employed. If this were to happen, a similar number of logging jobs could also be lost.

Alaska Employment Service

Anchorage: Phone 269-4800

Kotzebue: Phone 442-3280

Kodiak: Phone 486-3105

Bethel: Phone 543-2210

Nome: Phone 443-2626/2460

Seward: Phone 224-5276

Dillingham: Phone 842-5579

Tok: Phone 883-5629

Juneau: Phone 790-4562

Eagle River: Phone 694-6904/07

Valdez: Phone 835-4910

Petersburg: Phone 772-3791

Mat-Su: Phone 376-2407/08

Kenai: Phone 283-4304/4377/4319

Sitka: Phone 747-3347/3423/6921

Fairbanks: Phone 451-2871

Homer: Phone 235-7791

Ketchikan: Phone 225-3181/82/83

Glennallen: Phone 822-3350



The mission of the Alaska Employment Service is to promote employment and economic stability by responding to the needs of employers and job seekers.