

ALASKA ECONOMIC TRENDS

October 2004

Occupational Forecast



Alaska Department of Labor
and Workforce Development

Frank H. Murkowski
Governor of Alaska

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Murkowski: “We will build the gas pipeline”

Alaska Governor Frank H. Murkowski outlined his vision for a pipeline to market Alaska natural gas in a July 28, 2004 address to insurance services policyholders meeting in San Diego, California. The governor’s remarks are summarized for Alaska Economic Trends readers.

By Governor Frank H. Murkowski

The United States should be more energy self-sufficient. It will be when we build the Alaska natural gas pipeline.

Wellhead natural gas prices in the United States are almost three times the level of February 2002. Some readers remember when wellhead gas was selling for 50 cents per thousand cubic feet back in the 1970s.

It costs more to find gas today. And America is losing too many jobs when industries can’t afford to pay for the energy and raw materials needed to make their products.

Until Alaska gas reaches market, industries, homes and generating facilities across North America will face uncertain futures as to where they are going to get their gas and what they will have to pay for it.

The inexpensive, easy-to-find oil fields are tapped out. North Sea production is in decline. And oil fields in the Lower 48 produce less than half the oil they did in the ‘70s. The world has oil; it will just cost a lot more to develop. Who would have thought, a decade ago, that we would be looking at \$6 natural gas and \$40 oil?

We still have the nation’s two largest oil fields at Prudhoe Bay and Kuparuk. And based on reserves, we have a dozen more in the Top 100. And there’s still a lot more where that came from. Geologists estimate the North Slope could hold up to an additional 20 billion barrels of recoverable oil on state and federal lands and close-in state waters.

I encourage Alaska Economic Trends readers to recognize that the story is the same, yet different, for natural gas.

We have the gas and there is no federal law blocking access to the reserves. It’s a matter of money and the right mix of players to take the financial risk of building a natural gas pipeline from the North Slope to market.

Commercialization of that gas has been one of Alaska’s most cherished dreams. Oil discoveries in Prudhoe Bay made all the headlines back in the late 1960s, but few people outside Alaska knew that extremely large quantities of gas were found along with all that oil.

We know we have 35 trillion cubic feet of proven reserves. And that’s just the beginning. State geologists believe there could be an additional 65 trillion cubic feet of gas under state lands on the North Slope. There could be 100 trillion cubic feet or more offshore, in federal waters. If true, those 200 trillion cubic feet would far exceed all of the proven reserves for the rest of the nation.

Some readers may be surprised to learn that the central gas conditioning facility on the North Slope processes more than 8.5 billion cubic feet of gas every day. Producers reinject the gas to maintain well pressure and to store the gas.

That reinjected gas is more than enough to meet the entire daily demand of California, Oregon and Washington with enough left over to take care of Utah.

The Alaska gas pipeline will cost an estimated \$18 billion to build, as the largest private construction project ever undertaken in North America. The reward will be worth the expense: a long-term supply of gas flowing to homes, generators and factories across America.

Alaska’s motto is “North to the Future,” but perhaps a more appropriate motto today is, “The North **is** the Future.”

Insight into the shape of the future job market

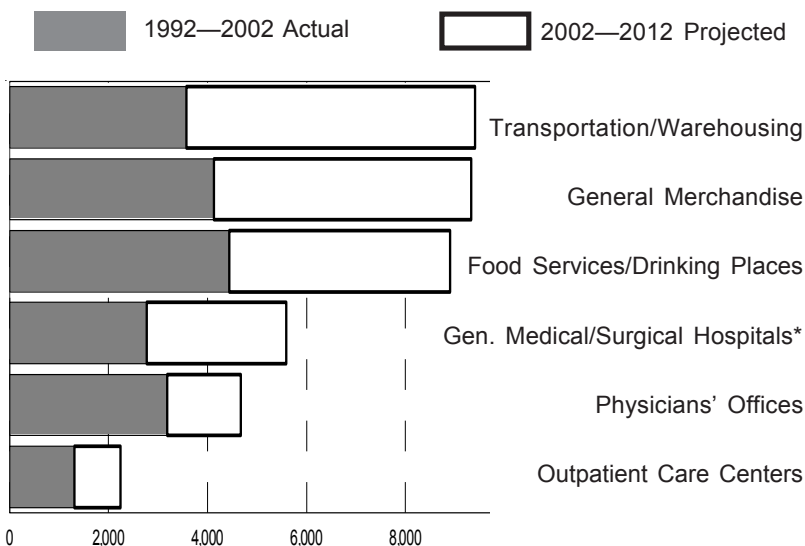
What will the occupational mix of Alaska's economy look like a decade from now? In which occupations will increases be necessary to meet the demands of an evolving job market over this period? These are important questions for the future of our state, with ramifications for educators, training providers, and policy makers on the one hand, and on the other, for the Alaska workers who will ultimately fill these positions.

To help answer these questions, the Department of Labor and Workforce Development (DOLWD) has just completed the 2002-2012 occupational

employment forecast covering nearly 700 distinct occupations for both wage and salary and self-employed workers. Projected growth of nearly 43,000 jobs will increase Alaska's workforce from an estimated 313,540 in 2002 to 356,491 by 2012¹.

As with any set of projections, the assumptions and conclusions inherent in this forecast are fallible. Any number of events—including changes in the natural gas pipeline timeframe, Arctic National Wildlife Refuge policy, or migration and population trends—could significantly alter the actual outcomes. Therefore, users should consider these projections to be one of many sources for insight into future employment opportunities and trends. Job centers, career counselors, and industry insiders are among the many additional resources available.

1 Rapid Growth Industries Actual and projected increase



*Includes local government hospitals.

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

Industry growth to 2012

The process of projecting long-term growth by occupation begins by addressing the industrial makeup of Alaska's economy, and anticipating how employment in the various industries will change over this period. The September 2004 issue of *Alaska Economic Trends* presents the 2002-2012 statewide industry forecast that is the foundation for the occupational projections analyzed here.

Broadly speaking, the economy can be divided into two sectors—the goods producing sector and the services providing sector. The goods producing sector, which comprises mining, construction, manufacturing, and logging, saw its

Occupational Groups

These occupational projections utilize the Standard Occupational Classification (SOC) taxonomy to analyze Alaska's employment data. For the 2002–2012 forecast, 691 distinct occupations have been identified. These are further organized into the following occupational groups, presented here along with examples of specific occupations:

Management, Business, Financial

Executives and managers
Accountants
Cost estimators

Professional and Related

Computer systems analysts
Civil engineers
Wildlife biologists
Lawyers
Teachers
Public relations specialists
Registered nurses

Service

Medical assistants
Security guards
Cooks
Janitors
Child care workers

Sales and Related

Real estate agents and brokers
Cashiers

Office and Admin. Support

Office clerks
Secretaries

Construction and Extraction

Carpenters
Operating engineers

Installation, Maintenance, and Repair

Aircraft mechanics and service technicians
Automotive service mechanics

Production

Meat, poultry, and fish cutters
Petroleum pump system operators

Transportation and Material Moving

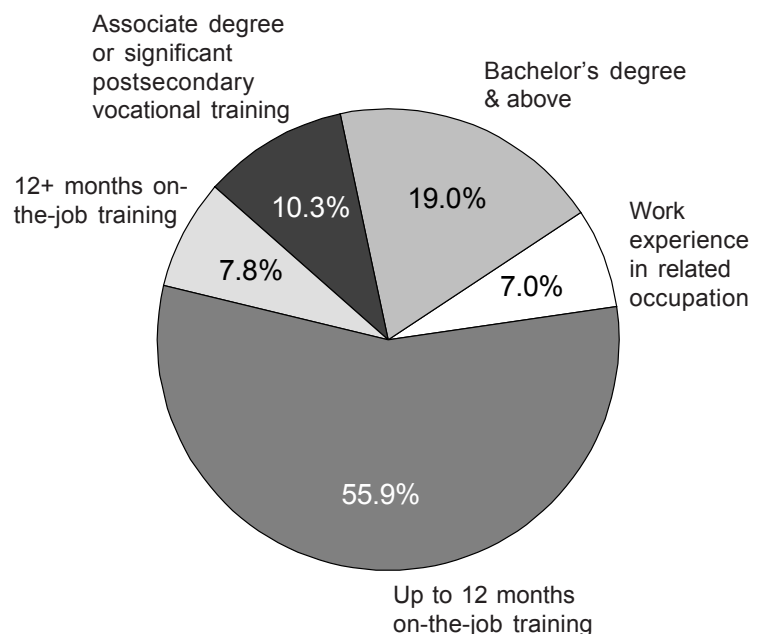
Heavy and light truck drivers
Freight, stock, and material movers

share of employment decline over the last decade, primarily due to losses in seafood processing and shutdown of pulp mills coupled with meager growth in mining. At the same time, industries in the services sector—including healthcare, food services, transportation, and trade—were experiencing rapid growth, pushing the service sector's share of employment by 2002 to 87 percent.

The services sector is projected to continue its dominance to 2012, and the goods producing sector should hold its own over the forecast period. Buoyed by a resurgence in metal mining and projected natural gas pipeline construction, the goods producing sector, with the steep declines in manufacturing largely in the past, will be likely to contribute positive growth nearly apace with the economy overall. In doing so it should maintain its 13 percent share of employment through 2012.

The turnaround in goods producing employment notwithstanding, the services providing sector will continue to provide the vast majority, about 90 percent, of new jobs to Alaska's economy. And while the rate of growth of every service sector industry, with the exception of federal government, is projected to decrease relative to 1992-2002 rates, many industries will continue to experience robust growth through 2012. (See Exhibit 1.)

Alaska's New Jobs 2 By education level required 2002–2012



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

These rapid growth industries have been and will continue to be job creating machines. Continued growth in tourism, air cargo traffic, and the movement of materials and people for construction of the gas pipeline will mean significant employment gains in the transportation and warehousing industry. Both general merchandise stores and food services and drinking places will benefit from growth in tourism, as well as from increases in both population and disposable income. And while efforts to rein in costs may dampen the rate of growth of healthcare industries, demographic realities and an increasing array of treatments will assure that their expansion continues.

From industry to occupation...

With the 2002-2012 industry forecast in place, projections of occupational growth come from an analysis of the variety of occupations that constitute the various industries. Forecasts for a specific occupation depend both on the rate of growth of industries that employ it, as well as on the degree to which those industries are likely to utilize that job function in the future.

Evaluating job growth and declines requires consideration of both the rate at which change occurs and the volume of jobs created or lost. The number of workers in a given occupation impacts both of these measures, though often in competing ways. Office clerks, for example, are projected to grow by 581 positions by 2012, putting the occupation on Alaska's top twenty list for numeric growth. (See Exhibit 5.) Because this occupation employs so many people, however, its projected growth rate of eight percent is well under the average for the whole economy.

Training and education

Other important factors for assessing projected job opportunities are training and education requirements. This analysis includes training and education assignments, provided by the Bureau of Labor Statistics (BLS), that identify "the most significant postsecondary education or training pathway to employment" in an occupation. These assignments by no means represent the only pathway to an occupation, nor are they intended to summarize the educational attainment of all persons employed in a particular job.

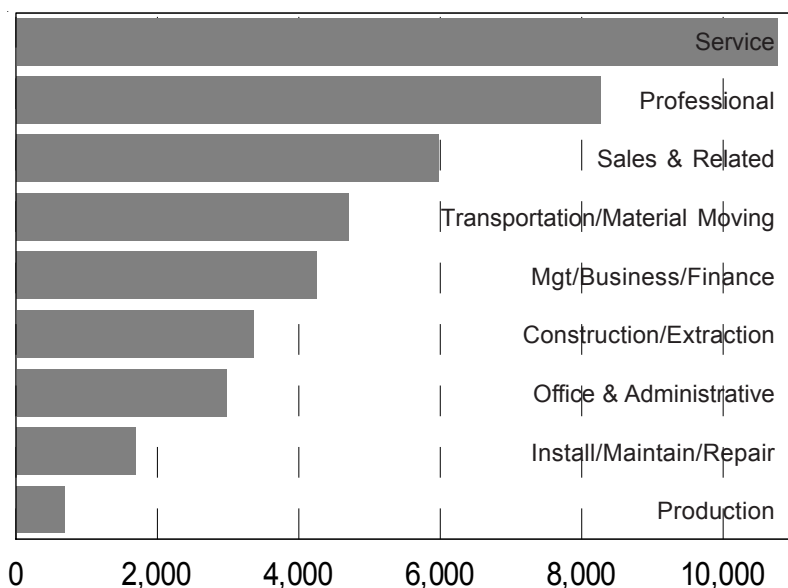
Rather, these education and training guidelines reflect the qualifications preferred by employers, according to BLS research, for persons entering the occupation. By this standard, less than half of the job growth from 2002-2012 will require education or training beyond that acquired on the job, and just under one-in-five projected new jobs will require at least a bachelor's degree. (See Exhibit 2.)

Service occupations lead job growth

Just as the services-providing industry sector will dominate job growth, so will the service occupations cluster provide more new job opportunities, fully one-in-four, than any other occupational group. (See Exhibit 3.) These same service occupations pay the lowest collective median wage, at \$12.20 per hour, of any occupational group.

The relatively low wages of service occupations

3 Alaska's New Jobs Projected growth 2002-2012



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

derive in large part from the food preparation and serving related occupations that accounted for one-in-four of this group's workers in 2002. These occupations are largely entry level, generally requiring no postsecondary education and only short-term on-the-job training. They play an important role for low-skilled persons just entering the labor force.

Healthcare support occupations are projected to be the fastest growing of the service jobs, with a growth rate more than twice that of the economy as a whole. Efforts at cost containment by private insurers and stricter Medicare and Medicaid reimbursement rules, along with increases in residential care facilities, will necessitate the use of the relatively low paid health care labor—medical and dental assistants, nursing and home health aides—that make up this group of occupations.

While not contributing as many new opportunities to overall job growth as the service occupations, the professional and related occupations cluster will continue to account for the largest share of Alaska's employment in 2012. Nearly half of the projected job growth in these occupations will generally require a bachelor's or more advanced degree for entry. The collective median wage of professional jobs, at \$24.88 per hour, is more than double that of the service occupations and about 25 percent greater than that of the economy overall.

Contributing both the fastest growth rate and largest job increase, healthcare practitioner and technical occupations are projected to contribute more than four-in-ten new jobs to the professional and related cluster through 2012. Demand for nurses and other healthcare support staff, medical record personnel, and social services workers will continue to outpace the economy, in spite of increasing efforts at cost control.

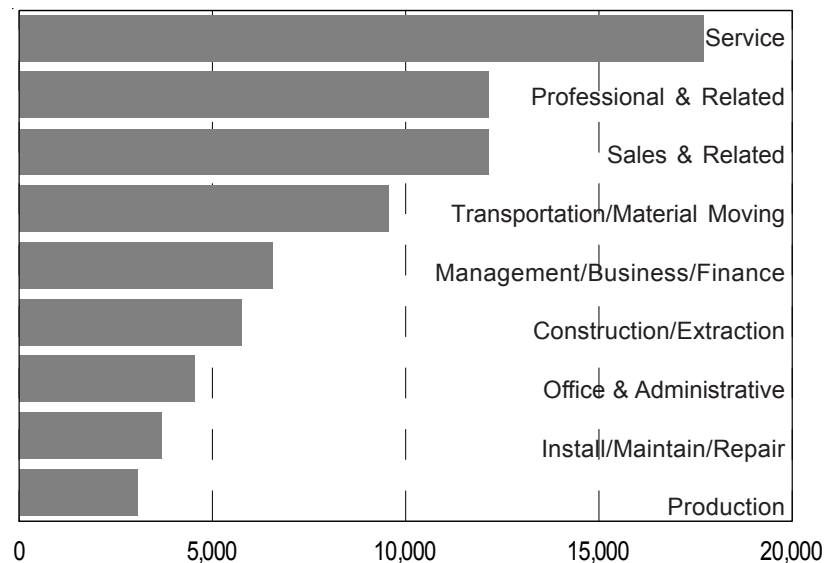
The balance of the occupational groups in the professional and related cluster, aside from community and social services, will experience much slower growth. A leveling off of projected school enrollments over the decade will keep growth low in education related occupations.

The general lack of growth in the government sectors, a major employer for many professional occupations, will keep employment growth in these occupations subdued.

With growth rates around 20 percent, both the sales and related and the transportation and material moving occupational groups share the distinction of being the fastest growing over the projection period. The former is driven by the demand across industries for cashiers and retail salespersons, which together account for nearly three-quarters of the job growth in sales occupations. Cashiers and salespersons earn mean hourly pay of \$10 and \$12.17 respectively, and wages in the sales and related group overall are the second lowest in Alaska's economy.

The transportation and material moving occupations describe a collection of jobs that are diverse in setting, duties, and pay. Charged with moving people, goods, and resources by land, air, and water, these occupations include relatively high paid airline pilots and flight engineers making on average \$47.43 per hour, as well as much lower paid taxi drivers and service station attendants. Tractor-trailer, heavy, and light truck

Replacement Opportunities **4** Alaska 2002–2012 projected



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

drivers will provide nearly one-in-three new jobs to this group, with growth coming from the expanding transportation and warehousing industry as well as natural gas pipeline related hauling.

Of the remaining occupational groups, only the construction and extraction occupations are projected to grow faster than average. With a likely slowing in residential building offset by gas pipeline related opportunities, the more than 3,000 projected new jobs in this group will offer excellent wages while generally requiring skills that can be acquired on the job, often via apprenticeships that include classroom instruction. Construction and extraction occupations pay an average hourly wage of \$24.16.

Replacement opportunities

While this analysis focuses primarily on job opportunities that arise from expansion of the economy, an even greater source of job openings comes from the need to replace workers who permanently leave an occupation. This movement out of occupations happens for a variety of reasons, most notable of which are career change and retirement. From 2002-2012, an estimated 75,000 job opportunities will arise in Alaska due to the need to replace exiting workers. (See Exhibit 4.) Nationally, some 35 million jobs will need to be filled for this same reason.

By far the greatest number of replacement openings, close to 18,000, will occur in the service occupations. The sheer number of workers in this group is behind much of this total, though the nature of these jobs creates disproportionate numbers of replacement needs. Service occupations are often low paying, require little formal education and training, and in many cases

5 Fastest Growing Occupations and Occupations with the largest increase 2002–2012

Fastest Growing Occupations*	Percent Change	Occupations with the Largest Increase	Numeric Change
Pharmacy Technicians	59.1	Retail Salespersons	2,577
Respiratory Therapists	56.0	Cashiers	1,853
Medical Records/Health Info. Technicians	53.8	Registered Nurses	1,666
Pharmacists	48.6	Combined Food Prep/Serving Wkrs, incl. Fast Food	1,487
Medical Assistants	47.8	General and Operations Managers	1,286
Hazardous Materials Removal Workers	46.7	Waiters and Waitresses	1,163
Surgical Technologists	43.3	Truck Drivers, Heavy and Tractor-Trailer	910
Personal and Home Care Aides	41.7	First-Line Supervisors/Mgrs of Retail Sales Workers	686
Dental Hygienists	41.3	Carpenters	661
Home Health Aides	40.3	Laborers and Freight/Stock/Material Movers, Hand	633
Dental Assistants	39.4	Personal and Home Care Aides	621
Mental Health/Substance Abuse Social Wkrs	38.2	Receptionists and Information Clerks	609
Physical Therapists	35.9	Office Clerks, General	581
Physician Assistants	35.7	Truck Drivers, Light or Delivery Services	556
Aircraft Cargo Handling Supervisors	34.7	Food Preparation Workers	537
Medical and Public Health Social Workers	34.4	Maids and Housekeeping Cleaners	537
Opticians, Dispensing	34.1	Janitors/Cleaners, exc. Maids/Housekeeping Cleaners	484
Social and Human Service Assistants	33.7	Home Health Aides	473
Registered Nurses	33.3	Operating Engineers/Other Construction Equip. Opr.	471
Rehabilitation Counselors	33.0	Cooks, Restaurant	446
Average Growth All Alaska Occupations	13.7	Total	18,237

* Estimated employment greater than 74

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

serve as gateways to the labor force. Thus workers tend to have less attachment to these positions and are likely to move on to better opportunities as they gain education and experience in the workforce.

The replacement needs of service occupations contrast with those of the professional and related occupational group. Despite having the largest share of employment in both the base and projected year, replacement needs in professional occupations are projected to be just two-thirds as many as in the service occupations group. The facts that more than six in ten professional and related jobs generally required at least a bachelor's degree in 2002, and that these occupations pay well, mean workers are less apt to leave these professions except to retire.

A more detailed occupational look²

This section focuses on the distinct occupations that have the largest numeric increases and declines and are the fastest growing. The complete results of the 2002-2012 occupational forecast, including numeric and percent growth data for 562 occupations, are available on the Department of Labor and Workforce Development's website at <http://almis.labor.state.ak.us>.

Employment will be very concentrated during the 2002-2012 decade. The 20 occupations with the largest numeric increase are projected to account for more than 42 percent of the jobs created over the decade and 28 percent of total jobs in 2012. (See Exhibit 5.) In general, these occupations are entry-level positions that do not require significant postsecondary education or training.

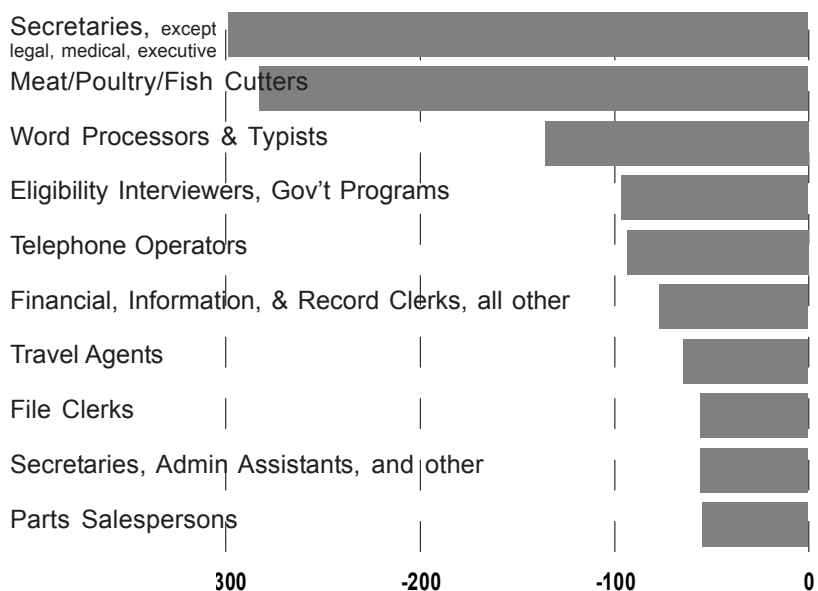
The occupation of retail salespersons is not only expected to add the most jobs over the forecast period, it will retain its position as Alaska's single largest occupation. By 2012 there will be 11,053 workers employed in this occupational category, including 2,577 in positions created over the decade. Employment of cashiers, the occupation ranked second in projected numeric growth, will rise by 1,853, bringing its 2012 employment to 8,574. Registered nurses, combined food preparation and serving workers, and general

and operations managers, occupy the third, fourth and fifth slots adding 1,666, 1,487, and 1,286 jobs, respectively. In 2012, one of every ten workers will be employed in one of these five occupations.

Of Alaska's 20 fastest growing occupations, 13 are associated with health services, reflecting that industry's strong outlook. Three primary forces will drive future demand for health service workers — an aging population, the increased use of innovative medical technology for intensive diagnosis and treatment, and cost cutting measures in medical service delivery. Combined, these three forces will determine the future demand for health occupations.

Pharmacy technicians occupy the number one position on the list of fastest growing occupations with a nearly 60 percent rate of growth over the forecast period. Cost cutting measures will play a significant role in the demand for pharmacy technicians as duties formerly performed by pharmacists are shifted to pharmacy technicians. This trend is also seen in forecast growth rates for dental hygienists, dental assistants and physician assistants that are higher than for the highly paid professionals they support.

Occupations with Largest Decline 6 Projected numbers 2002–2012



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

Also on the fastest growing list, personal and home care aides and home health aides will be in great demand to provide care for an increasing number of elderly and people recovering from surgery and other serious health conditions. This is occurring as hospitals and insurance companies require shorter stays for recovery to reduce costs.

Four social services occupations also make the fastest growing list—mental health and substance abuse social workers, medical and public health social workers, social and human service assistants, and rehabilitation counselors. As with the healthcare occupations discussed above, the future demand for these occupations will be affected by demographics, advances in medical technology and the need to curtail costs.

Employment numbers in forty-five occupations are expected to drop over the forecast period. Many declining occupations are affected by structural changes as a result of factors including technological advances and organizational changes. For example, the need for secretaries and word processors/typists will decline significantly because of productivity improvements in office automation and the

increased use of word processing equipment by professional and managerial employees. (See Exhibit 6.)

Declining occupations will account for 8.3 percent of total employment in 2012, illustrating that even occupations with declining employment offer future job opportunities. Although declining employment may lead to less favorable job prospects, the need to replace workers who leave an occupation often creates some job openings.

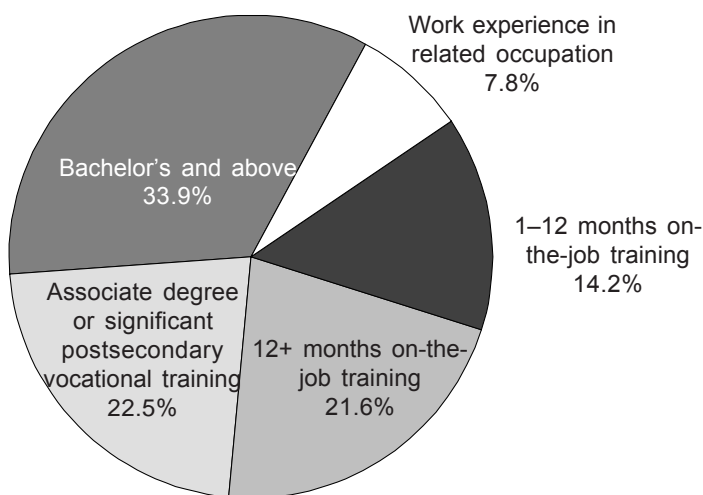
Alaska's Top Jobs

Individuals planning their careers, jobseekers, and policy makers are among those interested in knowing which occupations will provide the best jobs in the future. Identifying these jobs, however, is not a simple task.

Many criteria are used for determining job quality. Occupational characteristics generally accepted as a measure of future job quality include numeric change in employment, percent change in employment, and earnings. In addition, individuals have personal desires and values that bring other factors into play in determining job quality, such as opportunities for self-employment or a preference for working out-of-doors.

Of the nearly 700 distinct occupations included in the 2002-2012 projections, 40 have been identified as Alaska's "top jobs" – those with higher than average wages and good job prospects, based on projected employment growth and the number of positions. These occupations, with total projected employment of 57,535 in 2012, are concentrated in the higher education and training categories, underscoring the importance of career planning and educational attainment. More than 56 percent of employment in the top jobs requires education or training of an associate degree or higher. Five occupations on the list require work experience in a related occupation. Ten occupations generally requiring on-the-job training (OJT), such as operating engineers and electricians, made the top jobs list. (See Exhibits 7 and 8.)

7 Alaska's Top Jobs By training needed



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

(continued on page 12)

Alaska's Top Jobs 2002–2012

By training needed



Hourly Earnings

Occupation	\$\$\$	\$17.49—\$24.62	Wage Quartile	Employment		Numeric Change	Percent Change
	\$\$\$\$	More than \$24.62		2002	2012		
Bachelor's degree and above							
General and Operations Managers			\$\$\$\$	7,391	8,677	1,286	17.4
Airline Pilots, Copilots, and Flight Engineers			\$\$\$\$	1,453	1,767	314	21.61
Financial Managers			\$\$\$\$	1,424	1,622	198	13.9
Mental Health and Substance Abuse Social Workers			\$\$\$	469	648	179	38.17
Pharmacists			\$\$\$\$	364	541	177	48.63
Medical and Health Services Managers			\$\$\$\$	581	748	167	28.74
Sales Managers			\$\$\$\$	605	748	143	23.64
Substance Abuse and Behavioral Disorder Counselors			\$\$\$	513	645	132	25.73
Child, Family, and School Social Workers			\$\$\$	764	894	130	17.02
Computer Systems Analysts			\$\$\$\$	786	910	124	15.78
Social and Community Service Managers			\$\$\$	626	738	112	17.89
Physical Therapists			\$\$\$\$	298	405	107	35.91
Environmental Engineers			\$\$\$\$	358	453	95	26.54
Mental Health Counselors			\$\$\$	302	396	94	31.13
Medical and Public Health Social Workers			\$\$\$	253	340	87	34.39
Associate degree or significant postsecondary vocational training							
Registered Nurses*			\$\$\$\$	5,004	6,670	1,666	33.29
Aircraft Mechanics and Service Technicians			\$\$\$	1,458	1,680	222	15.23
Dental Hygienists			\$\$\$\$	438	619	181	41.32
Commercial Pilots			\$\$\$\$	569	727	158	27.77
Bus and Truck Mechanics and Diesel Engine Specialists			\$\$\$	689	825	136	19.74
Emergency Medical Technicians and Paramedics			\$\$\$	346	451	105	30.35
Mobile Heavy Equipment Mechanics, except Engines			\$\$\$\$	665	760	95	14.29
Licensed Practical and Licensed Vocational Nurses			\$\$\$	521	609	88	16.89
Radiologic Technologists and Technicians			\$\$\$	297	383	86	28.96
Respiratory Therapists			\$\$\$	134	209	75	55.97
Work experience in a related occupation							
First-Line Supervisors/Mgrs of Construction Trades & Extraction Wkrs			\$\$\$\$	2,093	2,405	312	14.91
Captains, Mates, and Pilots of Water Vessels			\$\$\$\$	466	569	103	22.1
Transportation, Storage, and Distribution Managers			\$\$\$\$	420	515	95	22.62
Self-Enrichment Education Teachers			\$\$\$	500	586	86	17.2
First-Line Supervisors/Mgrs of Helpers, Laborers, Material Movers, Hand			\$\$\$	328	411	83	25.3
Long-or medium-term on-the-job training³							
Truck Drivers, Heavy and Tractor-Trailer			\$\$\$	2,888	3,798	910	31.51
Carpenters			\$\$\$	4,759	5,420	661	13.89
Operating Engineers and Other Construction Equipment Operators			\$\$\$\$	2,456	2,927	471	19.18
Electricians			\$\$\$	2,033	2,396	363	17.86
Plumbers, Pipefitters, and Steamfitters			\$\$\$\$	1,527	1,788	261	17.09
Petroleum Pump System Operators, Refinery Operators, and Gaugers			\$\$\$\$	1,044	1,241	197	18.87
Correctional Officers and Jailers			\$\$\$	848	992	144	16.98
Hazardous Materials Removal Workers			\$\$\$\$	304	446	142	46.71
Welders, Cutters, Solderers, and Brazers			\$\$\$	782	905	123	15.73
Water and Liquid Waste Treatment Plant and System Operators			\$\$\$	587	671	84	14.31

*Based on the BLS classification, all RNs are grouped under the Associate Degree category.

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

Health and social services occupations dominate the list of top jobs requiring a Bachelor's degree or higher. Seven of the ten occupations on the long- and medium-term OJT³ list, such as truck drivers, heavy and tractor trailer, and operating engineers and other construction equipment operators, are large occupations with growth that will be spurred by the construction of Alaska's natural gas pipeline.

Methodology

Occupational forecasts are the end product of a three-part system: employer surveys, construction of a matrix of industries and occupations, and industry employment forecasts.

Employer Surveys: The foundation of this forecast is the Occupational Employment Statistics (OES) program, operated jointly by DOLWD/R&A and the U.S. Bureau of Labor Statistics. The OES program surveys occupational employment through a random sample of employers who do business in Alaska. The results of the OES employer surveys produce profiles of the occupational makeup for surveyed industries and estimates of wage rates by occupation.

Industry/Occupation Matrix: The occupational profile of each industry is arranged into a matrix of occupations and industries. Base year employment estimates (2002) are made by multiplying the proportion of employment for each occupation in an industry by the current (2002) estimate of employment for that industry and then summing across industries.

Future occupational employment requires the use of "change factors" to indicate shifts in industry staffing patterns as employers respond to changes in both technology and the marketplace.

Estimates of self-employed workers are made by applying ratios of self-employed workers in each occupation to estimates of wage and salary workers in the same occupation. Self-reported occupational data from the Census Bureau are used to determine the self-employment ratios.

Industry Employment Forecast: See September 2004 *Alaska Economic Trends*.

Earnings: Wage data comes from the 2000 thru 2003 cycles of the OES survey, and covers 97 percent of total 2002 employment. All wages are mean wages. Earnings quartiles were determined by sorting the total number of Alaska employees by their wage from the lowest to highest. One fourth of total employment is placed in each quartile. A single \$ represents occupations with employee earnings of less than \$12.71 per hour. \$\$ represents earnings between \$12.71 and \$17.48 per hour, \$\$\$ between \$17.49 and \$24.62 per hour, and \$\$\$\$ greater than \$24.62.

Footnotes

¹ Unlike the 2002-2012 industry projection, this analysis includes estimates of self-employed persons. Thus, the overall base and projected employment totals are greater.

² For the majority of this analysis, only occupations with year 2002 employment of 75 or greater are included. Catchall occupational categories, such as all other managers, are excluded.

³ Medium-term OJT involves training of 1-12 months duration. Long-term OJT involves training over 12 months in length.

Ever present and ever changing, retail trade is a \$7 billion growth industry

Retail trade has been one of the more dynamic industries in the state over the past decade. Both its large and small markets are in constant flux. Retail trade is a regular part of the lives of most people—nearly everyone has a daily or at least weekly encounter with this industry. For the daily necessities of life, be it a gallon of milk, fishing pole, prescription, or underwear, the retail sector is the convenient supplier. Residents of the state’s small communities that have few or no local retail options access the industry via the Internet, catalog, or telephone. All this shopping adds up to more than \$7 billion per year spent by Alaskans on retail. The industry provides more than 34,000 jobs, making it the single largest private sector employer group in the state. (See Exhibit 1.)

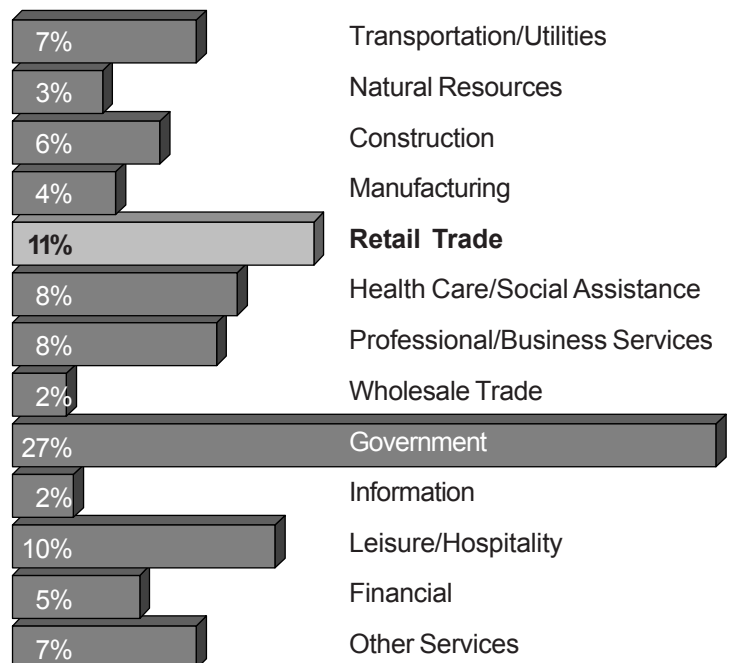
Retail categories not always clear cut

Any business that sells merchandise for personal or household consumption falls under the banner of retail trade. The industry is broken down into a dozen broad categories that are illustrated in Exhibit 2. Most of the classifications such as gasoline stations, furniture and home furnishings, motor vehicle and parts dealers, sporting goods, and health and personal care are reasonably straightforward. But other categories require a little more explanation. For example, the food and beverage store category includes convenience stores, bakeries, and candy stores in addition to grocery stores such as Safeway or Alaskan and Proud. General merchandise stores include department stores such as JC Penney, discounters such as Wal-Mart, and warehouse

clubs like Costco. In the miscellaneous category one finds florists, office supplies, pet stores, souvenir shops, used goods, mobile home dealers, and others. Non-store retailers include electronic shopping, mail order, vending machines, fuel dealers, and others.

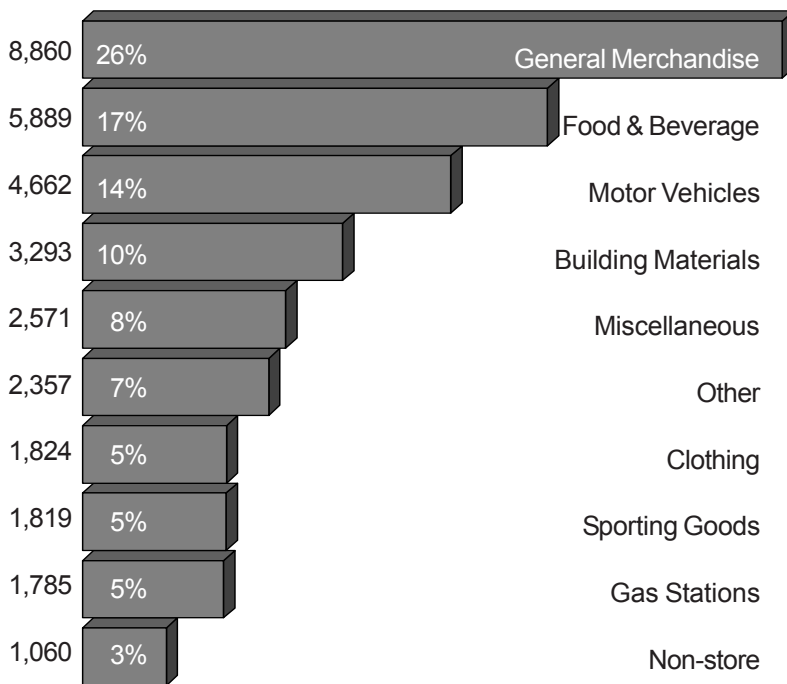
In Exhibit 2, the *Other* category includes furniture, electronics and appliances, and health and personal care. More often than not, retailers are some combination of these categories. When that is the case, they are classified by what they do most. Fred Meyer, for example, is classified as a

Retail Trade **1** Is state’s largest private sector industry



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

2 Retail Trade Employment By category - 2003



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

3 Alaska Retail Trade Sales Ranked by 1997 sales

	Alaska Sales 1997 \$(thousands)	Alaska Sales Per Establishment 1997	Alaska Per capita Sales 1997	U.S. Per capita Sales 1997
Total	\$6,251,372	\$2,181,218	\$10,254	\$9,026
Motor vehicle and parts dealers	1,308,235	4,899,757	2,146	2,367
General merchandise	1,252,667	8,947,621	2,055	1,212
Food and beverage stores	1,224,176	2,935,674	2,008	1,474
Building materials/garden supply	630,204	1,704,951	1,116	835
Gasoline Stations	431,071	1,614,498	707	727
Non-store retailers	283,243	2,008,816	465	452
Clothing and clothing accessories	280,736	786,375	460	500
Miscellaneous	217,353	469,445	357	286
Sporting goods/hobby/book/music	206,191	723,477	338	227
Electronics and appliances	155,184	1,804,465	255	251
Health and personal care items	108,384	985,309	178	432
Furniture and home furnishings	103,929	944,809	170	263

NOTE: The Census Bureau releases Economic Census data every five years. 1997 data is the latest available. 2002 data is expected later this year or early next year.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of the Census

general merchandiser, but it is also a food store, clothing store, and more. One of the latest developments is that grocery stores, discount warehouses, and general merchandisers now often have gas stations.

General merchandisers and food and beverage stores are the biggest players

The hands-down winner for the largest employer in retail is general merchandise, and it comes in second in sales. (See Exhibits 2 and 3.) Alaska's largest general merchandiser is Wal-Mart/Sams Club. (See Exhibit 4.) Wal-Mart is a relative newcomer to Alaska's retail scene; it entered the market in 1994, and is now the state's third largest private sector employer. General merchandisers tend to be large; average sales per establishment in Alaska were nearly \$9 million in 2003, and they rank second for per capita sales. Food and beverage stores, which include the more traditional grocery and convenience stores, rank second in employment and third in sales. The largest employer in this category is Safeway/Carrs, a long-time presence in Alaska retail.

A third category with retail sales of more than a billion dollars is motor vehicle and parts dealers. Automotive goods carry a high price tag. Their merchandisers are big employers, and they rank second in sales per establishment. Alaska Sales and Service is the largest employer in this category. Building materials is another sizeable retail employer. The healthy housing market of recent years has helped this sector. Gasoline stations are relatively large employers with a ubiquitous presence. Sales per gasoline establishment run about \$1.6 million. Employment for gasoline retailers has fallen off in recent years, however, because of consolidation and increased competition from general merchandisers, grocers, and others.

Exhibit 3 shows that compared to their compatriots in the other states, Alaskans spend more on food, building materials, and general merchandise, and less on health and personal care and home furnishings. Some of the differences are related to the way retail trade is organized in Alaska, and some illustrate different buying patterns. Typical

Alaska lifestyles lend themselves to more expenditures on building and garden supplies and sporting goods. The small size of Alaska's senior population relative to the rest of the nation helps explain the low expenditure level on health and personal care products.

Growth has been rapid, rough and tumble

In the 1980s, Alaska retail employment grew by more than 50 percent (under the old Standard Industrial Code definition) and since 1990 it has grown another 31 percent. (See Exhibits 5 and 6.) It has been a rough and tumble industry. Such former stalwarts as Montgomery Ward, Kmart, McKay's Hardware, Pay 'N Save, Market Basket, Longs Drugs, Pay 'N Pak, and Woolworth's are no longer in business. JC Penney and Nordstrom, among others, have closed some of their stores. These losses were more than replaced by a host of new players in the 1980s and even more in the 1990s and the current decade.

The first five years of the 1990s are sometimes referred to as the retail boom years, and Alaska's retail landscape was transformed during the period. Between 1990 and 1995, approximately 5,400 new retail jobs were created. Without this growth in retail, total employment in the state would have turned negative during certain years of this era. This period included an influx of big box stores and discount warehouses, some of which are now among Alaska's largest private sector employers and retailers—names such as Wal-Mart, Sam's, Costco, Lowe's, and The Gap. Existing retailers, such as Fred Meyer, Safeway, Spenard Builders, Sears, and Johnson Tires, expanded their operations. Capping this growth, during this same period more than 2,000 medium sized and small retailers in the state started or expanded, outpacing losses from closures.

From 1990 to 2003, retail employment in Alaska grew twice as fast as the nation's and was responsible for 13 percent of all employment growth in the state. As a result of this strong retail growth, the state has moved much closer

to national norms. In 2003, retail employment was responsible for approximately 11 percent of all wage and salary employment in both Alaska and the nation.

The rate of retail growth from the mid 1990s through 2000 was faster in the rest of nation than in Alaska. Then the national recession hit retail and Alaska took the inside track. This hyper-competitive industry will probably continue to expand and sometimes amaze us with change. Just this year a new Lowe's and Home Depot are being built in the Mat-Su Valley, a new Fred Meyer and Lowe's will open in Fairbanks, and a new Fred Meyer in Homer. In Anchorage, for the first time in many years, 2004 will see no new big box store opening. A likely scenario for the near future is that retail trade growth will move closer to national rates.

The 25 Largest Employers In retail trade, 2003 **4**

Employment

Safeway Stores/Carrs	Food and beverage stores	3,135
Wal-Mart/Sam's Club	General merchandise	2,443
Fred Meyer	General merchandise	2,341
Spenard Builders Supply	Building material/garden supply	823
Alaska Commerical Company	General merchandise	667
Costco	General merchandise	672
Sears Roebuck	General merchandise	509
Home Depot	Building material/garden supply	413
Williams Express	Gasoline Stations	505
Tesoro Northstore Company	Gasoline Stations	346
Lowe's	Building material/garden supply	332
JC Penney	General merchandise	331
Gottschalks	Clothing and clothing accessories	312
Nordstrom	General merchandise	288
Alaska Sales and Service	Motor vehicle and parts dealers	289
Alaska Industrial Hardware	Building material/garden supply	211
Cal Worthington Ford	Motor vehicle and parts dealers	202
Genuine Parts Company (NAPA Auto Parts)	Motor vehicle and parts dealers	200
Williams Inc.	Food and beverage stores	181
Johnson Tire Service	Motor vehicle and parts dealers	173
The Gap-Old Navy	Clothing and clothing accessories	171
Omni Enterprises	General merchandise	161
(Swansons in Bethel, N&N Market in Dillingham, etc.)		
Furniture Enterprise (Sadler's, LA-Z-BOY, etc.)	Furniture and home furnishings	155
Brown Jug Liquor	Food and beverage stores	153

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

Alaska is a good place for retail

Although local statistics on retail trade are somewhat limited in Alaska because of the lack of a sales tax in many of the state's largest retail markets, all indications are that Alaska is a healthy environment for retail. For example, according to Sales and Marketing Management's annual Survey of Buying

Power, Alaskans spent \$7.4 billion in retail in 2003. These figures do not include retail sales on the military bases, the Internet, or catalog sales. According to this same survey, Alaska's median household effective buying income (EBI) was \$55,171 compared to \$48,798 for the nation, and per capita retail sales for the state were \$36,059 versus \$34,036 for the nation. This ranked Alaska 14th in the nation for per capita sales. While slightly higher prices are a factor in Alaska's higher per capita sales, Alaska's higher disposable income is a big plus for this industry. Alaskans' lower than average tax burden plays well into the hands of this industry. The state's demographics may also play a positive role. Alaska has the second youngest and the most migratory population in the country, which elevates the rate of household formation, a blessing for many retailers.

5 Retail Employment Grows Faster Than overall economy

Change in employment 1990 to 2003



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

6 More than a Decade of Growth For retail trade employment

Change 1990 to 2003 (thousands)



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

Permanent Fund dividends are included in these income figures, giving this industry an extra boost from a program that is unique to Alaska. No data exist that tell us how Alaskans spend their dividend dollars, but even to the casual observer it is obvious that a substantial slice of this money finds its way into retailers' hands. It is hard to tell whether this annual retail spree means Alaskans spend their retail dollars at a slightly different time than their national counterparts, or increase their spending on retail vis a vis their national counterparts. But in all likelihood, it gives Alaska retailers an edge.

The visitor industry is another big plus for the state's retailers. According to data prepared for the state's Department of Community and Economic Development, 19 percent of Alaska's retail employment is due to the visitor industry.

Retail sales strongest in urban areas

Nearly fifty percent of retail sales and slightly more than fifty percent of all retail employment originates in Anchorage, which represents only 42 percent of the state's population. (See Exhibit 7.) Anchorage has the most developed and extensive retail sector in the state and benefits from its residents' high household incomes. The city also plays the role of retailer to Alaskans

around the state. Some of Anchorage's largest retailers claim that as much as 25 percent or more of their sales go to orders from the Bush. The data in Exhibit 7 show that per capita retail sales and employment are generally higher in urban areas than in rural places. This is both because income tends to be lower in rural Alaska and because many rural residents spend most of their consumer dollar outside of their place of residence.

The area in the state with the highest per capita retail sales according to the U.S. Census Bureau was the Ketchikan Gateway Borough, at \$14,146. One possible explanation for this high figure is the huge number of visitors it welcomes each year. In 2004, Ketchikan expects more than 800,000 cruise ship passengers, many of whom become retail customers. Another boon to local retailers is that residents of Prince of Wales Island and other surrounding areas shop in Ketchikan. In contrast, areas such as Wade Hampton, Aleutians East Borough, Prince of Wales, and Yukon-Koyukuk have per capita retail sales below \$4,000 because they lack regional centers with retail opportunities.

The broad expansion of this industry over the years has meant not only the creation of more jobs, but also that more of Alaska residents' retail dollars are remaining in the communities and the state. To state this differently, retail's leakages in the economy are being plugged. Strong evidence of this can be seen in certain communities that levy a sales tax. Retail sales in Palmer and Wasilla, for example, have more than doubled since 1994, while the area's population grew by 42 percent. Just in the past four years retail trade employment in the Mat-Su Valley has climbed by more than 600 jobs or 32 percent. This retail expansion in the Valley means that local residents are fulfilling more of their retail needs closer to home, instead of in Anchorage, via catalog sales, or on-line. Kodiak Island is another example. Prior to 1999, the City of Kodiak's retail sales hovered in the \$20 million range. Within a year, however, sales climbed to the \$30 million dollar range, with little change taking place in the area's economy or population. This dramatic increase in retail sales coincided with the opening of Wal-Mart. One can only conclude that, prior to 1999, Kodiak residents shopped more off the Island than they do today.

Wages tend to be low

Retail trade pays the lowest average monthly wage of any industry. In 2003 the average monthly wage for retail was \$2,120, versus \$3,111 for all industries. One reason for the low wages is that a large percent of the retail trade workforce works part-time. The average hourly wages for some of the largest occupational categories in the industry are low, further depressing overall wages. Some above-average opportunities do exist in retail in the form of advancement to management positions or entrepreneurial activity. Commissioned sales people and others in various segments of the industry earn worthy paychecks.

Alaska Retail Sales 1997 And 2003 employment, by area

	Employment 2003	Sales 1997	Per Capita Sales 1997
U.S.			\$9,026
Alaska Statewide*	34,119	\$6,251,372,000	10,254
Aleutians East Borough	45	7,161,000	3,376
Aleutians West Census Area	157	41,180,000	7,722
Anchorage Municipality	17,491	3,114,874,000	12,227
Bethel Census Area	572	77,217,000	4,951
Bristol Bay Borough	22	12,778,000	10,222
Denali Borough	44	NA	NA
Dillingham Census Area	177	33,056,000	7,315
Fairbanks North Star Borough	3,959	927,860,000	11,307
Haines Borough	103	13,063,000	5,434
Juneau City-Borough	1,880	312,748,000	10,526
Kenai Peninsula Borough	2,260	426,515,000	8,943
Ketchikan Gateway Borough	1,049	205,121,000	14,146
Kodiak Island Borough	518	102,885,000	7,538
Lake and Peninsula Borough	30	NA	NA
Matanuska-Susitna Borough	2,669	477,250,000	9,156
Nome Census Area	290	56,956,000	6,246
North Slope Borough	305	45,029,000	6,210
Northwest Arctic Borough	176	40,899,000	6,093
Prince of Wales/Outer Ketchikan CA	241	25,962,000	3,777
Sitka City-Borough	537	78,156,000	8,975
Skagway-Hoonah-Angoon CA	228	25,291,000	6,895
Southeast Fairbanks Census Area	211	28,383,000	4,539
Valdez-Cordova Census Area	425	81,716,000	7,890
Wade Hampton Census Area	270	27,284,000	3,956
Wrangell-Petersburg CA	311	54,082,000	7,572
Yakutat Borough	18	5,343,000	6,500
Yukon-Koyukuk Census Area	108	22,318,000	3,512

*Statewide employment total may not equal sum of areas due to incomplete geographic reporting.

Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section, and U.S. Census Bureau

July Points to Another Growth Year

Alaska's steady growth looks good alongside the nation's struggles

**Alaska
Employment
Scene**

by
Neal Fried
Economist

While the nation's economy struggles to find its way to recovery and its employment numbers remain clouded, the Alaska economy continues to perk along in a low key, orderly fashion. With the figures now in for July's period of peak activity and more than half of the year behind us, the shape of 2004 in Alaska is emerging. It appears the state is well on the way to its 17th year of uninterrupted employment growth, setting another record. Total employment in July ran nearly 4,000 jobs or 1.2 percent ahead of year-ago levels—not much different from last year's annual growth rate of 1.5 percent.

Driving this year's economy forward are the durable vigor of the health care industry, the strength of the construction industry, a better year

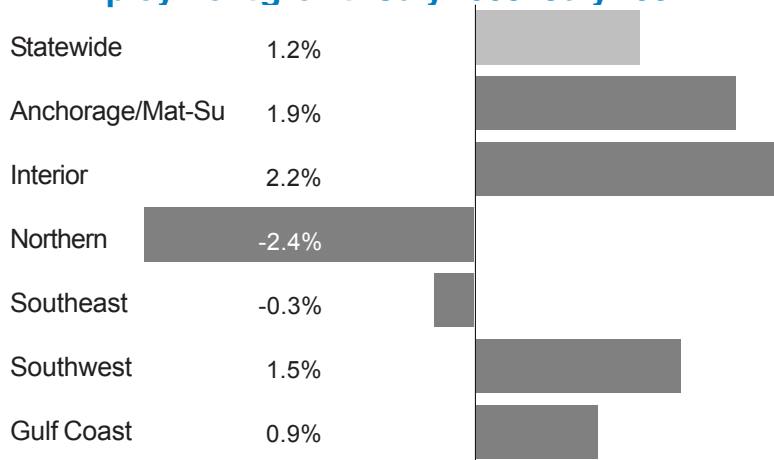
in the visitor industry, and some improved fishing numbers. These industry movers spin off benefits to retail trade, the financial industry, air carriers, hotels, food services, and others. Some additional lift in the employment numbers came from the hiring of approximately 400 fire fighters more than normal to battle record-breaking wild fires.

Construction is coming on very strong

Construction is displaying a high level of strength. The construction industry has been in expansion mode since the early 1990s, and over the past decade it has grown four percent per year, nearly identical with its over-the-year growth rate in July. It was fully expected that the public sector and residential activity would continue to keep this industry's employment numbers positive in 2004. The strength of the commercial side of the industry, however, comes as a bit of a surprise. With last year's hotel, office and retail construction projects nearing completion, it appeared commercial construction would slow. Instead it has sped up, with an unusual amount of new office space coming on line in Anchorage; some have estimated as much as 360,000 square feet. Retail is making a strong contribution. New Home Depot and Lowe's stores are being built in the Mat-Su Valley, and a new Lowe's and Fred Meyer in Fairbanks.

The Anchorage office space boom is being led by the financial industry—a reflection of some very good years for this industry. At least five new sizeable financial office buildings are currently

1 A Mixed Picture Around the State Employment growth July 2003–July 2004



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

under construction. They include a new 30,000 square foot headquarters for Residential Mortgage, a 95,000 square foot Centerpoint Financial Center, a 50,000 square foot Credit Union 1 headquarters, a 92,000 square foot Alaska USA Financial Center, and a 32,000 square foot Re/Max real estate headquarters. Alaska Native organizations have three buildings under construction: a 68,000 square foot Bristol Bay Building, a 75,000 square foot Cook Inlet Tribal Council building and a 65,000 square foot Alaska Native Tribal Health Consortium office building. A host of smaller projects are also going up.

Fishing and visitors improve this year

Although it will be a while before the final numbers are in for fishing and tourism, there are signs both may end the year on a positive note. After two sluggish years in the visitor season, it appears 2004 will go down as a growth year. An improving national economy, more cruise ship and hotel capacity and other factors appear to be in play. Airport passenger traffic was up 10 percent for May and June at Alaska's four largest airports and car rental activity was also up. Employment in two industries that are closely tied to the visitor industry, scenic and sightseeing and leisure and hospitality, is coming in stronger than last year. Air transportation employment recently turned slightly positive after a year of losses—another possible sign of good visitor numbers. The fish story remains a bit more mixed. Salmon harvests are coming in significantly higher than year-ago levels and this has meant seafood processing employment is up. Seafood processing employment was running 400 ahead of year-ago levels in July. Most of this strength came from Bristol Bay, where harvest levels are the best they have been since 1999 and significantly better than last year. But prices are low, even lower than last year's.

Health care still biggest grower

Many, in fact most, industries are contributing to Alaska's current long-continued period of moderate employment growth, but one industry is responsible for the lion's share: health care & social assistance. In July, there were nearly 4,000 more wage and salary jobs than a year ago, and more than 40 percent of them were in health care & social assistance.

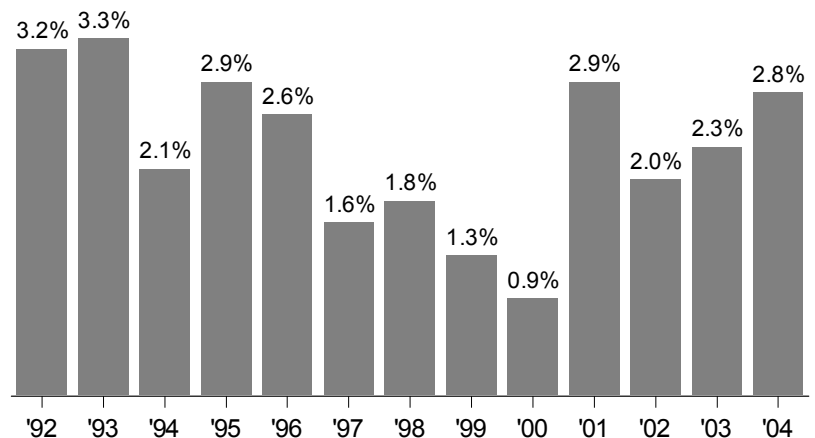
Nearly all segments of health care & social assistance are racking up impressive gains. Examples are two agencies that deliver care at the Alaska Native Medical Center—Southcentral Foundation and Alaska Native Tribal Health Consortium. Their combined workforce of approximately 1,000 workers in 2000 roughly doubled to more than 2,000 workers by March 2004. The social services slice of this industry, which is responsible for nearly a quarter of all of this employment, has also contributed to this industry's meteoric growth. Retail trade is another above average player, with new large stores and expansions beefing up its numbers.

The regional story varies

July's employment estimates confirm continued regional differences around the state. Four out of the six regions registered over-the-year growth. The two largest regions, Anchorage/Mat-Su and the Interior enjoyed the most robust gains. Interior's gains in July were bolstered by the fire crews brought on for what is now the largest fire season on record. Both the federal Bureau of Land Management and the state Department of Natural Resources are involved in fire fighting. The other industries that kept Interior's labor market in the black were professional and business services, leisure & hospitality, and retail. The recently opened Wal-Mart and Home Depot are keeping retail's figures strong, and a new hotel and a better visitor season contribute to leisure and hospitality's stronger numbers. Areas of

Inflation Rate Stays in the **2** Two to three percent range

Changes in Anchorage CPI-Urban for first half of year



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

3 Nonfarm Wage and Salary Employment

By place of work

Alaska	preliminary revised		Changes from:		
	7/04	6/04	7/03	6/04	7/03
Total Nonfarm Wage & Salary¹	323,500	316,500	319,500	7,000	4,000
Goods Producing	51,300	44,100	50,200	7,200	1,100
Services Providing	272,100	272,400	269,400	-300	2,700
Natural Resources & Mining	10,200	10,200	10,300	0	-100
Logging	400	500	700	-100	-300
Mining	9,800	9,700	9,600	100	200
Oil & Gas Extraction	8,200	8,000	8,000	200	200
Construction	21,100	20,100	20,200	1,000	900
Manufacturing	20,000	13,900	19,600	6,100	400
Wood Products Manufacturing	300	300	400	0	-100
Seafood Processing	16,200	9,900	15,800	6,300	400
Trade, Transportation, Utilities	66,600	65,700	65,800	900	800
Wholesale Trade	6,600	6,500	6,500	100	100
Retail Trade	36,800	36,500	36,200	300	600
Food & Beverage Stores	6,400	6,400	6,300	0	100
General Merchandise Stores	9,200	9,000	8,900	200	300
Trans/Warehousing/Utilities	23,200	22,700	23,100	500	100
Air Transportation	6,900	6,800	6,800	100	100
Truck Transportation	3,200	3,100	3,100	100	100
Information	7,100	7,000	7,200	100	-100
Telecommunications	4,100	4,100	4,200	0	-100
Financial Activities	15,200	15,000	14,900	200	300
Professional & Business Svcs	24,500	24,300	24,400	200	100
Educational & Health Services	35,200	34,900	33,000	300	2,200
Health Care/Social Assistance	33,200	32,900	31,000	300	2,200
Ambulatory Health Care	13,700	13,200	12,700	500	1,000
Hospitals	8,600	8,700	8,500	-100	100
Leisure & Hospitality	35,900	34,400	35,500	1,500	400
Accommodation	10,700	10,000	10,500	700	200
Food Svcs & Drinking Places	20,600	20,000	20,400	600	200
Other Services	10,900	10,900	11,500	0	-600
Government²	76,800	80,200	77,100	-3,400	-300
Federal Government ³	18,200	18,100	17,900	100	300
State Government	23,200	23,000	23,400	200	-200
State Education	5,400	5,600	5,300	-200	100
Local Government	35,300	39,100	35,700	-3,800	-400
Local Education	16,300	20,300	16,700	-4,000	-400
Tribal Government	4,300	4,000	4,200	300	100

Municipality of Anchorage	preliminary revised		Changes from:		
	7/04	6/04	7/03	6/04	7/03
Total Nonfarm Wage & Salary¹	146,900	147,800	144,500	-900	2,400
Goods Producing	14,800	14,200	14,000	600	800
Services Providing	132,100	133,600	130,400	-1,500	1,700
Natural Resources & Mining	2,200	2,200	2,100	0	100
Mining	2,100	2,100	2,000	0	100
Oil & Gas Extraction	2,000	2,000	1,900	0	100
Construction	10,600	10,100	10,000	500	600
Manufacturing	2,000	1,900	1,900	100	100
Trade, Transportation, Utilities	34,200	33,800	33,900	400	300
Wholesale Trade	4,800	4,800	4,800	0	0
Retail Trade	18,000	17,800	17,800	200	200
Food & Beverage Stores	2,600	2,500	2,500	100	100
General Merchandise Stores	4,300	4,200	4,300	100	0
Trans/Warehousing/Utilities	11,400	11,200	11,300	200	100
Air Transportation	3,700	3,700	3,600	0	100
Information	4,600	4,500	4,700	100	-100
Telecommunications	2,700	2,700	2,700	0	0
Financial Activities	9,100	9,100	9,000	0	100
Professional & Business Svcs	16,500	16,500	16,600	0	-100
Educational & Health Services	18,900	18,900	17,200	0	1,700
Health Care/Social Assistance	17,700	17,600	16,300	100	1,400
Ambulatory Health Care	7,000	6,900	6,300	100	700
Hospitals	5,400	5,400	5,300	0	100
Leisure & Hospitality	15,500	15,400	15,200	100	300
Accommodation	3,300	3,300	3,200	0	100
Food Svcs & Drinking Places	10,400	10,300	10,400	100	0
Other Services	5,300	5,400	5,900	-100	-600
Government²	28,000	30,000	28,000	-2,000	0
Federal Government ³	10,000	10,000	9,900	0	100
State Government	9,200	9,000	9,200	200	0
State Education	1,700	1,800	1,700	-100	0
Local Government	8,900	11,100	8,800	-2,200	100
Local Education	5,400	7,900	5,400	-2,500	0
Tribal Government	300	300	200	0	100

Notes to Exhibits 3, 4, 5, & 7—¹Nonfarm excludes self-employed workers, fishermen, domestics, and unpaid family workers as well as agricultural workers.
²Includes employees of public school systems and the University of Alaska.
³Excludes uniformed military.
 Exhibits 3 & 4—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.
 Exhibits 5 & 7—Prepared in part with funding from the Employment Security Division.

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

4 Hours and Earnings

For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 7/04	revised 6/04	revised 7/03	preliminary 7/04	revised 6/04	revised 7/03	preliminary 7/04	revised 6/04	revised 7/03
Mining	\$1,505.45	\$1,452.65	\$1,283.68	50.4	48.6	41.8	\$29.87	\$29.89	\$30.71
Construction	1,242.48	1,193.64	1,333.22	42.8	42.0	44.5	29.03	28.42	29.96
Manufacturing	528.99	426.81	612.85	45.8	34.7	51.5	11.55	12.30	11.90
Seafood Processing	514.78	363.54	694.72	53.4	32.2	62.7	9.64	11.29	11.08
Trade, Transportation, Utilities	535.42	539.24	558.61	34.7	34.7	35.4	15.43	15.54	15.78
Retail Trade	435.50	446.95	449.54	32.5	32.6	34.5	13.40	13.71	13.03
Financial Activities	685.67	693.91	659.86	34.7	34.8	35.4	19.76	19.94	18.64

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

Benchmark: March 2003

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

5 Nonfarm Wage and Salary Employment

By place of work

	preliminary		Changes from:			preliminary revised		Changes from:		
	7/04	6/04	7/03	6/04	7/03	7/04	6/04	7/03	6/04	7/03
Fairbanks										
North Star Borough										
Total Nonfarm Wage & Salary¹	38,300	37,500	37,350	800	950					
Goods Producing	4,850	4,650	4,750	200	100					
Services Providing	33,400	32,850	32,600	550	800					
Natural Resources & Mining	1,050	950	1,000	100	50					
Mining	1,000	950	1,000	50	0					
Construction	3,200	3,100	3,150	100	50					
Manufacturing	650	650	600	0	50					
Trade, Transportation, Utilities	7,600	7,600	7,250	0	350					
Wholesale Trade	650	600	600	50	50					
Retail Trade	4,400	4,400	4,100	0	300					
Trans/Warehousing/Utilities	2,550	2,600	2,600	-50	-50					
Information	600	600	650	0	-50					
Financial Activities	1,500	1,450	1,450	50	50					
Professional & Business Svcs	2,400	2,400	2,300	0	100					
Educational & Health Services	4,050	4,050	4,050	0	0					
Health Care/Social Assistance	3,950	3,950	3,900	0	50					
Leisure & Hospitality	4,800	4,700	4,700	100	100					
Accommodation	1,600	1,550	1,550	50	50					
Food Svcs & Drinking Places	2,650	2,650	2,650	0	0					
Other Services	1,400	1,400	1,400	0	0					
Government²	11,050	10,700	10,800	350	250					
Federal Government ³	3,550	3,500	3,450	50	100					
State Government	5,000	4,650	4,800	350	200					
Local Government	2,500	2,500	2,550	0	-50					
Tribal Government	0	0	0	0	0					
Interior Region										
Total Nonfarm Wage & Salary¹	46,050	45,100	45,050	950	1,000					
Goods Producing	5,400	5,150	5,400	250	0					
Services Providing	40,650	40,000	39,650	650	1,000					
Natural Resources & Mining	1,200	1,050	1,150	150	50					
Mining	1,200	1,050	1,150	150	50					
Construction	3,450	3,400	3,550	50	-100					
Manufacturing	750	700	700	50	50					
Trade, Transportation, Utilities	9,200	9,150	8,850	50	350					
Information	600	600	650	0	-50					
Financial Activities	1,600	1,550	1,550	50	50					
Professional & Business Svcs	2,900	2,850	2,750	50	150					
Educational & Health Services	4,250	4,250	4,250	0	0					
Leisure & Hospitality	6,850	6,550	6,700	300	150					
Accommodation	2,500	2,300	2,400	200	100					
Food Svcs & Drinking Places	3,800	3,650	3,750	150	50					
Other Services	1,600	1,600	1,600	0	0					
Government²	13,600	13,400	13,350	200	250					
Federal Government ³	4,250	4,150	4,150	100	100					
State Government	5,300	4,950	5,050	350	250					
Local Government	4,050	4,350	4,100	-300	-50					
Tribal Government	500	450	500	50	0					
Anchorage/Mat-Su Region										
Total Nonfarm Wage & Salary¹	163,950	164,300	160,800	-350	3,150					
Goods Producing	17,200	16,450	16,250	750	950					
Services Providing	146,700	147,850	144,600	-1,150	2,100					
Natural Resources & Mining	2,350	2,300	2,200	50	150					
Construction	12,600	11,950	11,850	650	750					
Manufacturing	2,300	2,150	2,200	150	100					
Trade, Transportation, Utilities	38,000	37,650	37,500	350	500					
Information	5,150	5,050	5,150	100	0					
Financial Activities	9,900	9,850	9,550	50	350					
Professional & Business Svcs	17,400	17,400	17,400	0	0					
Educational & Health Services	21,550	21,400	19,950	150	1,600					
Leisure & Hospitality	17,850	17,450	17,550	400	300					
Other Services	5,850	5,900	6,450	-50	-600					
Government²	31,000	33,150	31,000	-2,150	0					
Federal Government ³	10,200	10,200	10,100	0	100					
State Government	1,800	1,900	1,850	-100	-50					
Local Government	10,700	13,050	10,700	-2,350	0					
Tribal Government	400	350	300	50	100					
Gulf Coast Region										
Total Nonfarm Wage & Salary¹	33,350	31,500	33,000	1,850	350					
Goods Producing	8,550	6,900	8,400	1,650	150					
Services Providing	24,800	24,600	24,650	200	150					
Natural Resources & Mining	1,150	1,150	1,150	0	0					
Oil & Gas Extraction	1,050	1,050	1,000	0	50					
Construction	1,900	1,800	1,900	100	0					
Manufacturing	5,500	3,900	5,350	1,600	150					
Seafood Processing	4,800	3,200	4,600	1,600	200					
Trade, Transportation, Utilities	6,350	6,150	6,250	200	100					
Retail Trade	3,700	3,650	3,650	50	50					
Trans/Warehousing/Utilities	2,250	2,200	2,200	50	50					
Information	450	450	450	0	0					
Financial Activities	900	850	850	50	50					
Professional & Business Svcs	1,550	1,500	1,550	50	0					
Educational & Health Services	2,250	2,250	2,150	0	100					
Health Care/Social Assistance	2,200	2,200	2,100	0	100					
Leisure & Hospitality	4,750	4,350	4,700	400	50					
Accommodation	1,750	1,600	1,750	150	0					
Food Svcs & Drinking Places	2,400	2,250	2,400	150	0					
Other Services	1,300	1,350	1,400	-50	-100					
Government²	7,250	7,700	7,250	-450	0					
Federal Government ³	1,000	1,000	950	0	50					
State Government	1,600	1,600	1,600	0	0					
Local Government	4,600	5,100	4,700	-500	-100					
Tribal Government	350	350	350	0	0					
Southeast Region										
Total Nonfarm Wage & Salary¹	41,050	39,500	41,200	1,550	-150					
Goods Producing	6,650	4,750	6,600	1,900	50					
Services Providing	34,400	34,700	34,600	-300	-200					
Natural Resources & Mining	650	650	800	0	-150					
Logging	400	400	500	0	-100					
Mining	300	300	300	0	0					
Construction	2,300	2,150	2,150	150	150					
Manufacturing	3,700	1,950	3,650	1,750	50					
Wood Products Mfg.	150	150	150	0	0					
Seafood Processing	3,250	1,550	3,400	1,700	-150					
Trade, Transportation, Utilities	8,700	8,500	8,750	200	-50					
Retail Trade	5,050	5,000	5,100	50	-50					
Trans/Warehousing/Utilities	3,200	3,050	3,200	150	0					
Information	500	500	500	0	0					
Financial Activities	1,300	1,400	1,350	-100	-50					
Professional & Business Svcs	1,550	1,550	1,600	0	-50					
Educational & Health Services	3,500	3,550	3,450	-50	50					
Health Care/Social Assistance	3,350	3,400	3,300	-50	50					
Leisure & Hospitality	4,850	4,500	4,750	350	100					
Accommodation	1,850	1,650	1,850	200	0					
Food Svcs & Drinking Places	2,100	2,000	2,000	100	100					
Other Services	1,100	1,150	1,100	-50	0					
Government²	12,900	13,600	13,100	-700	-200					
Federal Government ³	2,150	2,150	2,150	0	0					
State Government	5,350	5,450	5,550	-100	-200					
Local Government	5,400	6,000	5,400	-600	0					
Tribal Government	750	750	850	0	-100					

6 Unemployment Rates

By region and census area

	preliminary		revised	
Not Seasonally Adjusted	7/04	6/04	7/03	
United States	5.7	5.8	6.3	
Alaska Statewide	6.5	7.0	7.2	
Anchorage/Mat-Su Region	5.3	5.5	6.1	
Municipality of Anchorage	4.9	4.9	5.6	
Mat-Su Borough	7.3	7.8	8.2	
Gulf Coast Region	7.7	9.3	8.6	
Kenai Peninsula Borough	8.5	9.3	9.8	
Kodiak Island Borough	5.7	10.6	6.2	
Valdez-Cordova	6.8	7.6	6.2	
Interior Region	5.6	6.4	6.6	
Denali Borough	1.7	2.8	4.0	
Fairbanks North Star Borough	5.3	5.8	6.1	
Southeast Fairbanks	8.7	10.0	9.1	
Yukon-Koyukuk	11.9	17.3	15.3	
Northern Region	17.4	17.8	17.9	
Nome	17.6	18.3	17.1	
North Slope Borough	15.5	14.6	15.0	
Northwest Arctic Borough	20.0	21.4	23.2	
Southeast Region	5.9	6.6	6.7	
Haines Borough	7.0	6.5	7.8	
Juneau Borough	5.0	5.0	5.7	
Ketchikan Gateway Borough	5.2	6.4	6.9	
Prince of Wales-Outer Ketchikan	12.0	13.2	11.9	
Sitka Borough	4.7	5.2	5.0	
Skagway-Hoonah-Angoon	7.3	7.3	7.9	
Wrangell-Petersburg	7.4	10.5	7.6	
Yakutat Borough	6.3	9.1	12.6	
Southwest Region	13.0	16.0	12.9	
Aleutians East Borough	4.2	4.9	3.6	
Aleutians West	6.9	10.5	7.2	
Bethel	15.3	17.0	14.5	
Bristol Bay Borough	6.5	11.6	8.9	
Dillingham	10.3	12.5	9.2	
Lake & Peninsula Borough	13.4	14.7	11.3	
Wade Hampton	23.4	30.2	25.7	
Seasonally Adjusted				
United States	5.5	5.6	6.2	
Alaska Statewide	7.2	7.3	8.1	

2003 Benchmark

Comparisons with previous year's numbers are of very limited use because of the magnitude of year-end revisions. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search.

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

strength for the Anchorage/Mat-Su region are similar to the state's. Health care and social assistance is the single largest contributor to the region's 2,400 job gain.

Employment gains in the Gulf Coast region (Kodiak, Valdez/Cordova and the Kenai Peninsula) came in just shy of one percent, fairly typical of most recent years. In July, fish processing, retail (new Home Depot in Kenai), and health care are the big pluses for the region. Other sectors are also slightly positive—even the oil industry. Southwest's story is not that much different. The big plus comes from seafood—the healthy Bristol Bay harvest is mostly responsible. Health care & social assistance is the other big plus. Most other industries in the region are close to year-ago levels.

Southeast's employment numbers came in barely negative, with logging and state government the major culprits. On the brighter side, fishing was decent, with yield strong and prices reasonably stable. The Northern region's numbers were the weakest in the state—jobs were 400 fewer than a year ago. These numbers are due to limited activity in the oil industry, trimming of the Red Dog workforce, and local government's loss of nearly 150 jobs.

Cost of living rises 2.8 percent

The Anchorage Consumer Price Index for All Urban Consumers increased by 2.8 percent from the first half of 2003 to the first half of 2004. The Anchorage Consumer Price Index is the only inflation indicator for the state and it is produced twice a year, at half-yearly intervals. As illustrated in Exhibit 2, the increase is well within the one to three percent band of the past decade. Energy prices led with some double digit increases, and food costs followed. Most of the other increases were closer to the overall average. For the details visit <http://stats.bls.gov/ro9/cpianch.htm>.

7 Nonfarm Wage/Salary Employment

By place of work

Northern Region	preliminary		revised		Changes from:	
	7/04	6/04	7/03	6/04	7/03	
Total Nonfarm Wage & Salary¹	15,800	15,900	16,200	-100	-400	
Goods Producing	5,350	5,300	5,400	50	-50	
Services Providing	10,450	10,600	10,800	-150	-350	
Oil & Gas Extraction	4,600	4,600	4,600	0	0	
Government²	4,800	5,000	4,950	-200	-150	
Federal Government ³	200	200	150	0	50	
State Government	350	350	350	0	0	
Local Government	4,300	4,450	4,450	-150	-150	
Tribal Government	550	550	600	0	-50	
Southwest Region						
Total Nonfarm Wage & Salary¹	23,350	19,850	23,000	3,500	350	
Goods Producing	8,500	5,500	8,200	3,000	300	
Services Providing	14,850	14,350	14,750	500	100	
Seafood Processing	8,000	5,100	7,700	2,900	300	
Government²	7,250	7,200	7,350	50	-100	
Federal Government ³	400	400	400	0	0	
State Government	600	600	600	0	0	
Local Government	6,200	6,200	6,300	0	-100	
Tribal Government	1,700	1,600	1,750	100	-50	

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

Employer Resources

Take advantage of all the resources that America's Job Bank offers to connect the right employee with your business needs. Employers can post job openings, search for resumes of potential applicants, and find just the right person for the job. You can even set up an automated search that will email selected resumes back to you. Go to <http://www.jobsearch.org/> and see if you find the one that you've been waiting for.

The image displays two screenshots of the America's Job Bank website. The top screenshot shows the main homepage with a search bar and navigation menu. The bottom screenshot shows the Business Center resources page, specifically the Human Resources section, with a list of services like 'Hire the Right People'.

America's Job Bank - job search engine - Jobs - Microsoft Internet Explorer
Address: <http://www.jobsearch.org/>

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385 NEW RESUMES TODAY
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707,185 TOTAL RESUMES AVAILABLE

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