



ALASKA ECONOMIC
TRENDS

SEPTEMBER 2020

The changing face of media

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ON THE COVER:

“The Paper Boy” was painted by Swedish artist Carl Erik Törner (1862-1911). The photo of this oil-on-canvas painting is courtesy of Flickr user Gandalf’s Gallery.

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Trends is a nonpartisan, data-driven magazine
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ON THIS SPREAD: The background image for 2020 is the aurora borealis in the arctic in Alaska, taken by Noel Bauza.

The changing face of media

Traditional formats give way to digital platforms, consolidation

By JENNA LUHRS

In 1992, a decades-long, cross-town rivalry between the *Anchorage Daily News* and the *Anchorage Times* ended with the *Times* closing its doors and laying off more than 400 workers. Competition between the papers had become cutthroat, and both businesses were operating at a loss. “The way the economics are, in any town, it’s real hard for two papers to make it,” *Times* publisher Bill Allen said at the time.

The numbers of newspaper publishing outlets and jobs have continued to recede in the three decades since. Losing 400 jobs was a shock to the state’s newspapers in 1992 when they had more than 1,000 jobs — today they have fewer than 400 total.

Jobs in newspapers and other types of “traditional” media such as books, magazines, radio, and TV

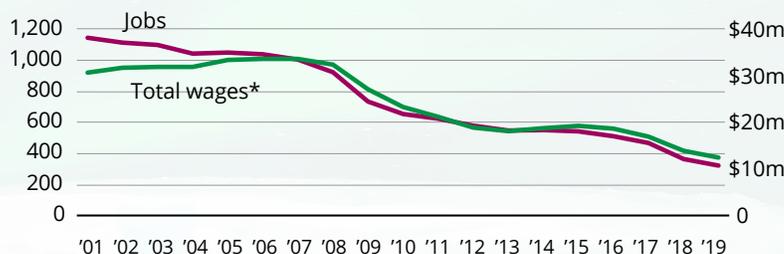
have been on a long decline with changes in technology and consumer preferences. When the pandemic began this spring, demand for online services and communication reached unprecedented levels, but it’s too early to tell whether COVID-19 will hasten the decline that traditional media began decades ago. (See the sidebar on the next page.)

Newspapers on a long decline in Alaska and nationally

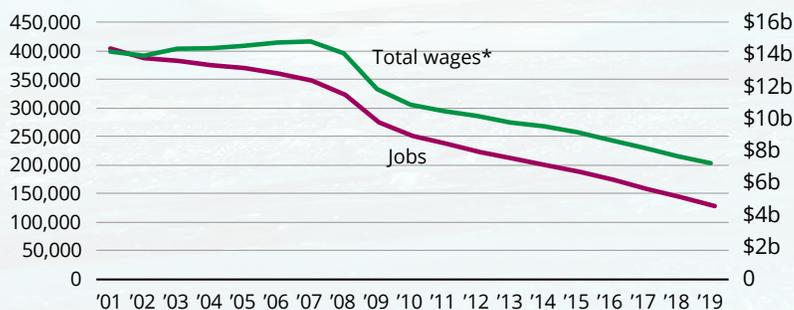
Alaska has 16 newspaper outlets — half of what it had in 2001 — and employment has fallen 72 percent over the last two decades. Aside from the decline between 2008 and 2010 — the aftermath

Main article continues on page 6

Alaska, U.S. newspaper publishing on similar trajectories



Alaska



United States

*In 2019 dollars

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

Digital demand soars during pandemic, spurring more change

In January, we forecasted the media sector would lose around 100 jobs this year, or about 2 percent, in a continuation of its longer-term decline. That was before COVID-19 was declared a pandemic on March 11, blurring the communications picture.

Media consumption and delivery have changed in the short term as a result, but it's not yet clear how the pandemic will affect jobs or whether it will hasten the long-term transition from traditional to digital media. What's certain is that internet demand jumped in recent months, and the lack of in-person contact forced people and companies across the globe to move some services and communications online sooner than they otherwise would have.

Like the rest of the world, Alaskans have upped their internet use to unprecedented levels in recent months. According to the state's largest service providers, the number of people working from home, attending school online, and connecting virtually has required previously unseen amounts of bandwidth and equipment. AT&T, Matanuska Telephone Association, and Verizon reported major surges in use, Alaska Communications increased its bandwidth by 20 percent, and GCI reported that in April alone, they increased service capacity by an amount normally anticipated over two years.

Before the pandemic, Alaska had already been focused on improving internet access and delivery — but preventing the spread of COVID-19 accelerated the transition in some fields, such as telehealth and online universities. The pandemic also amplified the challenge of educating K-12 students, especially in sparsely connected areas.

Distance education and rural challenges

When schools closed in March and switched to remote learning, the state's 13 internet providers agreed not to cut service for nonpayment through June 30 as part of the Federal Communications Commission's "Keep America Connected" pledge, and some waived fees for college students and hospitals.

Eight out of 10 Alaskans have access to internet service, but the pledge only went so far in rural Alaska, where many villages lack fiber optic internet cables or digital data to begin with. Alaska has 54 school districts, and in some, as little as 5 percent of students have sufficient internet access for online courses.

It's common for remote students to attend larger regional high schools. Once schools closed, these students returned to their home villages, and some weren't able to complete the school year online. Even in areas where service was available, obtaining the necessary equipment (namely modems) was a barrier. Internet providers ran

out of equipment within just a few weeks. Wireless hot spots, a popular alternative for villages without fiber optic cables, have also been in high demand in recent months.

For some students, finishing the school year in districts without adequate internet required improvising. Some turned in work packets to teachers via text message, and some teachers transferred videos to students' phones via Bluetooth or called the students who had telephones. Some educators reported spending multiple hours a day making contact with just a few students.

The new school year, which started in late August for some districts, added another layer of urgency to improving access. Once it became clear that most districts would choose distance delivery for at least the start of the school year, internet providers began working with them on district-specific connection plans. Some, such as the Lower Kuskokwim, are using federal pandemic relief funding (CARES Act) to set up a network for students. Protocols vary widely, and some districts pushed their first day of classes later into September, so plans were still in progress when this article was published.

The state has also restricted utilities from cutting service or charging late fees through Nov. 15.

Telecommunications hadn't been growing

Telecommunications represents one out of every 100 jobs in Alaska. Before this year, the industry's employment had been on a long, slow decline of about 1 percent per year since 2001, despite the global digital transition.

Because the cost of installing network infrastructure and providing internet connectivity is prohibitively high across large swaths of the state, Alaska is one of the states whose providers receive massive annual subsidies from the Federal Communications Commission. Following a 2016 report by the FCC that 67 percent of rural Alaskans didn't have access to high-speed internet, Alaska's providers entered into the "Alaska Plan," which provides about \$150 million a year to improve rural wired and wireless service. One goal is to deploy high-speed mobile service to at least 85 percent of rural Alaskans by 2026.

Internet providers expected the plan would generate more jobs. However, the statewide recession that began at the end of 2015 and changing consumer preferences dampened demand. Losses accelerated to around 3.7 percent annually, or 150 jobs, between 2016 and 2020. The net loss since 2013 has been around 500 jobs.

More Alaskans are subscribing to internet and mobile service this year, and job postings show some hiring. We don't yet know whether this will translate into job gains, or how much growth will flatten back out after the pandemic ends.

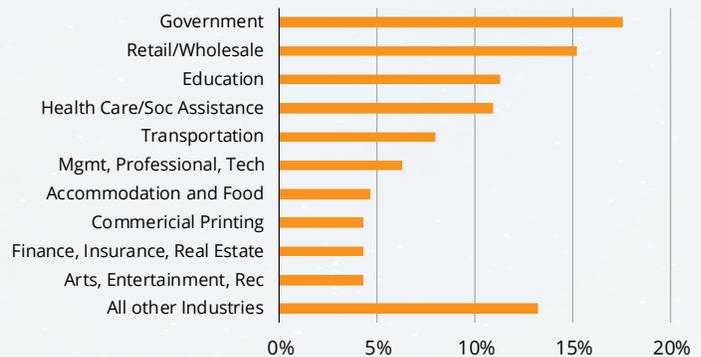
of the U.S. Great Recession — Alaska’s largest loss was in 2018 when 103 newspaper jobs disappeared. In addition to downward pressure from the statewide recession, restructuring at Anchorage’s daily newspaper and daily publications in Juneau, Kenai, and Homer accounted for much of the 2018 loss.

Wages fell over those two decades as well. Alaska’s average newspaper publishing wage declined 2 percent between 2001 and 2019 when adjusted for inflation, while comparable wages grew 10 percent nationally.

The downward employment trajectory has been equally stark nationally, however. Between 2001 and 2019, annual U.S. newspaper publication employment fell by 67 percent (273,000 jobs) and the number of establishments dropped 25 percent (from 9,300 to 6,966).

In 2018, according to Pew Research, U.S. newspaper circulation reached its lowest point since 1940, the first year data were recorded. Other forms of news consumption, including those brought on by the digital age, had eclipsed print’s popularity. TV was the most popular news source among U.S. adults in 2018 (49 percent), followed by news websites (33 percent), radio (26 percent), social media (20 percent), and print newspapers (16 percent). It was the first year in which more adults reported getting news from social media than from newspapers.

Where displaced newspaper workers* were working in Alaska 10 years later



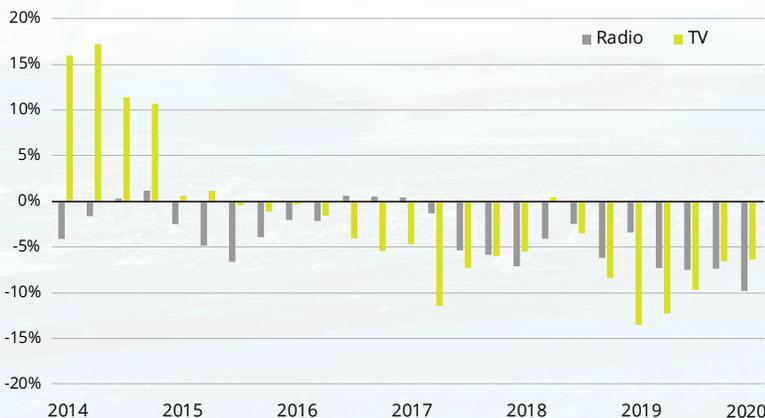
*We looked at about 900 workers who had been in newspaper publishing in 2009 to find out where they were in 2019. Of the original group, 34 percent were still working in Alaska but working in the other industries shown above.

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

It’s been harder for small and independent publishers

One consequence of the industry’s decline has been diminished daily and weekly news coverage in rural Alaska. Small operations — often the first to close their doors — are frequently the only local news outlet. In some cases, publications in regional population centers have expanded their geographic coverage to fill the void.

Alaska TV, radio broadcasting job declines have accelerated recently



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

The digital age has stimulated other media categories, but those gains haven’t come close to offsetting newspaper job losses.

The disappearance of independent publishers is a long-term national trend. The costs of running a printing press and covering the news have become prohibitively high as their main revenue sources — circulation and advertising — have fallen. Newspapers continue to consolidate under entities that own multiple publishing outlets, often across several states.

Where 900 displaced Alaska newspaper workers went

In 2009, almost 900 workers across the state earned wages in newspaper publishing. Ten years later, when more than 350 of those jobs had disappeared, 54 percent of the original group had retired, left the state, or otherwise left the workforce; 34 percent were working in Alaska but in other industries; and 12 percent were still employed in newspaper publishing.

In the second quarter of 2019, more than half of the roughly 300 who were still in Alaska but working in a different industry were in government, retail and wholesale trade, education, or health care, as the graph on the previous page shows. Nine percent of those who left newspaper publishing didn't go far. They were working in commercial printing, radio broadcasting, or other media.

Book, magazine, and online publishers are also struggling

Aside from newspapers, publishing in Alaska includes small numbers of magazine, book, software, and internet publishers. Like newspapers, magazine and book publishers have struggled to keep growing in the modern era. Compared to 2013, their combined 2019 employment was down 57 percent and their adjusted wages fell by 49 percent and 5 percent, respectively.

While internet publishing grew nationally, this small category in Alaska declined by about half over the same period. Average wages grew 148 percent in Alaska during those years, however, when adjusted for inflation.

This category publishes or broadcasts exclusively over the internet, and it includes newspapers if they no longer have a print edition as well as operators of web search portals.

2019 media wages, Alaska and U.S.

Category	Alaska avg wage*	U.S. avg wage*
Telecommunications	\$79,430	\$94,036
Data processing and hosting	\$78,819	\$129,921
All forms of media	\$67,667	\$119,654
Television broadcasting	\$55,555	\$103,449
Magazine publishing	\$54,722	\$99,144
Motion picture production	\$49,668	\$106,695
Radio broadcasting	\$44,120	\$65,827
Newspaper publishing	\$38,719	\$55,516
Book publishing	\$24,563	\$88,149
Movie theaters	\$14,404	\$15,832

*In 2019 dollars

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

Television broadcasting added jobs until the state recession

Jobs at Alaska television stations had been growing before the state recession began in late 2015, reaching a high of 432 jobs in the second quarter of that year before slowly declining for the next four years.

Local TV establishments have historically generated more revenue in election years, and annual television broadcasting employment and wages were both up 12 percent in 2014, the same year Alaska held elections for two U.S. Congress seats, the governorship, and the Alaska Legislature. Growth flattened out in the second half of 2015 as the recession began, and the industry lost a modest number of jobs in 2016 despite increased viewership from the presidential election.

TV employment continued to fall for eight straight quarters during the statewide recession. Losses slowed temporarily in 2018, another election year for Alaska's governor and U.S. House representative, then accelerated during the first three quarters of 2019. In the first quarter of 2020, employment in television broadcasting hit an eight-year low of 313 jobs.

TV's adjusted average annual wages grew over those six years, though, rising 10 percent to \$55,555, on par with the U.S. industry's wage growth.

Radio broadcasting employment has declined each

year since 2013. By the first quarter of 2020, employment had dropped 19 percent, from 421 to 315.

Radio's average pay continued to grow over that period as well, but slightly. Radio broadcasting wages rose 1 percent, to \$44,120 in 2019, which was well below the national industry's 11 percent wage growth (to \$65,827), when inflation-adjusted.

Like newspapers, broadcasters face losses through consolidation

On July 31, GCI announced it would pull Anchorage television station KTVA from television broadcasting and sell a majority of its assets to the owner of competitor KTUU: Colorado-based Gray Television. Gray owns or operates more than 100 TV stations and digital properties in more than 90 markets across the country.

This ended a rivalry that began in 1953 when the two television stations (KTUU was called KFIA back then) were the first to air in Alaska.

KTUU had edged out KTVA in ratings and viewership since at least 1989 when KTUU gained national recognition for its coverage of the Exxon Valdez oil spill. GCI purchased KTVA in 2013 and invested millions in a new newsroom and a larger staff with the goal of expanding viewership again and raising ratings.

Six years and tens of millions of dollars later, KTVA's gains proved slight. TV was under pressure from the same long-term trends that were consuming other forms of traditional media: changing consumer habits, a shift from television to digital advertising, and in Alaska, recessionary declines.

At the time of the sale, GCI announced that 12 percent of its 70 KTVA employees in Anchorage would move to the parent company, and the remaining 60 employees could apply for jobs with KTUU.

Tax credit boosted Alaska's film production starting in 2013

Alaska's small motion picture and video production industry was one of the few traditional media

categories to grow over the last few years. Although it represents a small number of jobs, the industry's employment has grown an average of 16 percent each year since 2013, and its annual wage has risen 7 percent.

Between 2009 and 2015, The Alaska Film Production Tax Credit Program subsidized video production in the state at more than \$9 million each year. The credit offered a base rate of 30 percent of expenses, with additional incentives for hiring locally, shooting during winter, and shooting in rural locations. "Sarah Palin's Alaska" and the movies "Big Miracle" and "Frozen Ground" were among the reality shows, films, and commercials that benefitted from the program before it expired in 2016.

The tax credit boosted film production in Alaska, and the industry has added jobs across the state over the last several years. According to the Alaska Department of Revenue, which took over the program in 2013, 91 residents working in production received the credit in 2014.

The program was phased out in 2016, but credits are good for six years. Because projects can taper into 2023, it's too early to determine the program's effect on jobs.

Film production has also grown nationally, with employment rising 36 percent from 2001 to 2019.

Alaska movie theaters have added jobs since 2013 as well, growing from 344 to 390 by the first quarter of 2020. Average annual wages in Alaska theaters increased 17 percent, to \$14,404 in 2019.

Monthly movie theater employment in Alaska follows a seasonal pattern, with highs in May through July during the blockbuster season and again in December during awards season.

Movie theaters continued to add jobs even during the state recession, reaching a high of 466 in the second quarter of 2016. Though theater employment fell slightly over the next three years, it remained above pre-recession levels. Starting in March, though, theaters were hit again by measures to curb the spread of COVID-19, and months-long closures will erase some of the recovery.

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TV is under pressure from the same long-term trends as other forms of traditional media: changing consumer habits and a shift to digital advertising.

COVID-19's impact on jobs so far

Patterns developing among states after four months

By DAN ROBINSON

July marked the fourth month of jobs data to come out after employment plunged nationwide due to COVID-19. The numbers are preliminary, so we shouldn't make too much of small changes or differences between states, but they're reliable enough to discern a few themes.

Job growth before the pandemic

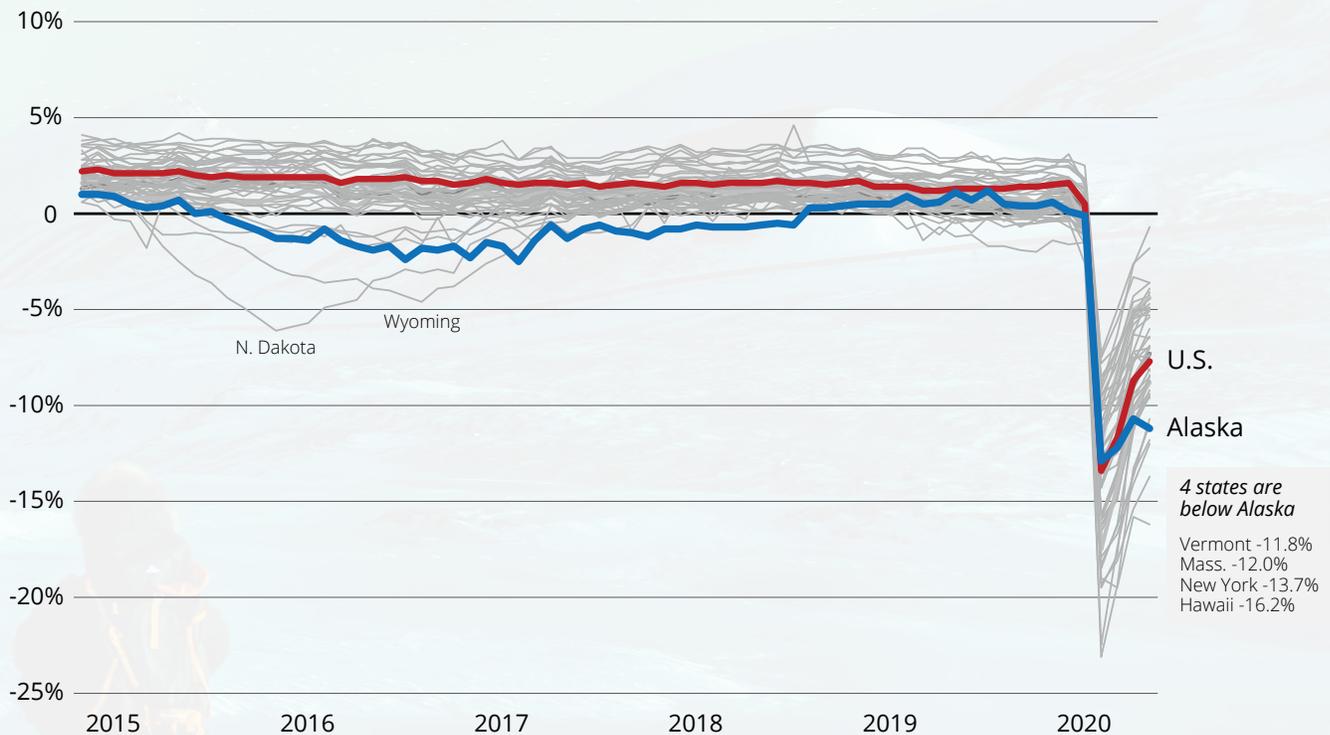
In the years leading up to the pandemic, U.S. job growth was modest by historical standards but remarkable because its growth streak, which began

after the Great Recession of 2007-2009, was the longest on record.

U.S. job growth following that recession was strongest in 2015, then slowed slightly from 2016 through 2019. Overall, though, the U.S. recorded unusually consistent job gains of just under 2 percent per year during that stretch before 2020's big drop.

Alaska, along with Wyoming and North Dakota, lagged the other states during the early part of the 2015-2020 period shown in the graph below. All three states were hit by a dramatic drop in oil prices in 2014 and 2015. North Dakota's and Wyoming's job losses were deeper than Alaska's, but

Percent total job growth or loss by state, 2015 to 2020



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

both states recovered faster. For much of 2017 and 2018, Alaska's employment growth ranked last among states.

Signs of economic weakness appeared in other states in 2019, pushing Alaska up from last place at the beginning of the year to 33rd for job growth heading into 2020. The state's growth remained weak by historical standards, though, and well below U.S. growth as a whole.

The depth of the fall and the strength of the bounce

Alaska's job count fell 12.9 percent below year-ago levels in April, and the U.S. drop was slightly larger at 13.4 percent. Among states, April losses ranged from 7.3 percent for Utah to 23.1 percent for Michigan.

Right away, one of the key questions was how fast states and the nation would bounce back from losses of that magnitude, especially given the once-in-a-century nature of the cause and the fact that the pandemic was ongoing.

Through July, no state has recovered all of the losses, although a few have come close. Nationally, the latest job numbers show over-the-year declines of 7.7 percent in July, which means the U.S. has regained less than half of the lost jobs.

Alaska has seen less recovery, with July employment down 11.2 percent from 2019 — a modest improvement from the 12.9 percent loss in April.

Idaho ranked first among states in July with a loss of just 0.7 percent, followed by Utah at 1.8 percent. Both had less ground to make up than most other states: Idaho's April loss was 9.0 percent and Utah's was 7.3 percent.

As of mid-summer, only four states were worse off

As of July, only four states' losses were steeper

than Alaska's. The grimmest job picture was in Hawaii, still down 16.2 percent from July 2019 levels. New York had the next-largest loss at 13.7 percent, followed by Massachusetts at 12 percent and Vermont at 11.8 percent.

What we can learn from these state comparisons

Every state has a handful of drivers that dictate much of its economic health. Alaska's short list includes oil and gas, federal spending (including the military), fishing, tourism, and mining. To date, the pandemic has hampered tourism most — it was effectively the "season that wasn't" in a state where nearly all tourists visit in the summer.

Oil prices have partially rebounded but jobs have not, and it isn't clear when or if big planned investments will materialize.

The pandemic has also hobbled oil and gas and disrupted the state's fisheries, although it's hard to get a read on those numbers for 2020 because salmon harvesting's biggest months are still ahead.

Largely stable drivers include the federal government — the only sector of the state's economy that's up slightly from year-ago levels — and mining. Mining incurred extra costs to minimize the spread of COVID-19, but the pandemic disrupted its operations and output less than it did other sectors.

Looking forward, the most unsettled and state-specific questions for Alaska concern oil and state government. Oil prices have partially rebounded, but job numbers have not, and it isn't clear when or if some of the big previously planned investments will materialize.

State government depends less on oil to fund its services than it did a few years ago, but oil is still a big part of the budget. Other states' budgets will suffer from a loss of income and sales tax revenue, but Alaska had large budget imbalances to sort out before COVID-19 hit, and that task will be harder now.

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Unemployment rates and race

Five-year and historical data show trends by category, area

By NEAL FRIED

High unemployment is one major consequence of COVID-19 in the nation and Alaska. The state's unemployment rate rose from record lows and near-record lows during January, February, and March to doubling by April. July's rate was 11.6 percent, up from 6.2 percent last July.

Detailed statistics for various demographic groups are released nationally each month, but most states are too small to get that level of detail so frequently. Alaska has to wait for the annual release from the U.S. Census Bureau's American Community Survey, and even that is based on a five-year average. (For more on the ACS, see the sidebar on the next page.)

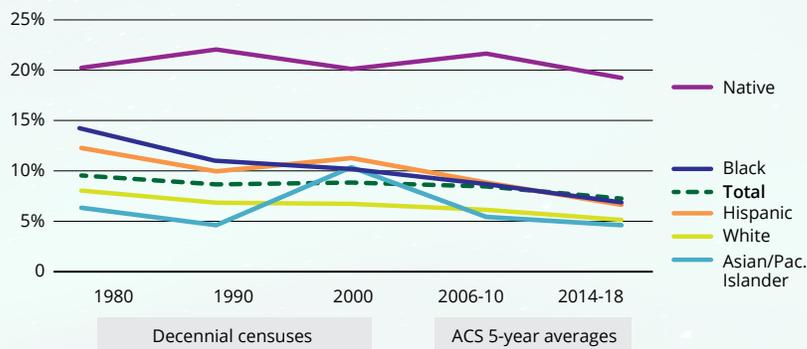
That means it's far too early to see how the pandemic has affected unemployment by race and ethnicity in the state. However, Alaska's demographic statistics over the last few years and the recent national figures give us a sense of what to watch for.

What's certain is that rates jumped among all racial categories nationwide in recent months. Black Americans' rate increased from 6.3 percent in July 2019 to 15.0 percent this July. For Asians, the rate rose from 3.0 percent to 12.2 percent, and for whites, from 3.6 percent to 9.4 percent. The nation doesn't produce monthly unemployment rates for Native Americans and Alaska Natives, who represent the second-largest racial group in Alaska.

Statewide unemployment rate patterns by race

Alaska Natives have significantly higher

Historical jobless rates by race in Alaska



Notes: Categories cover only those who reported a single race. The Alaska Native category includes Native Americans. Hispanic ethnicity can be of any race.

Source: U.S. Census Bureau

unemployment rates than the other racial and ethnic categories, which all occupy a narrow band of rates. (See the graph above.)

That gap has become larger over the decades as rates for other races have declined while Alaska Native unemployment has held fairly steady. In 1980, the rate for Natives was 20.3 percent, which is not far from the 19.3 percent reported in the most recent ACS.

However, in 1980, the rate among Alaska Natives was around double the overall rate, and over the most recent five-year period, it was nearly three times higher.

Rates for Alaska Natives are high in most areas

The table on the next page gives unemployment rates by area for Alaska Natives and whites, who are Alaska's two largest racial groups. Details by area for the other races are scarce because of small

White, Native unemployment rates by area, five-year average

Area	Total	Native	White
Alaska	7.4%	19.3%	5.3%
Aleutians East Borough	3.5%	8.1%	2.5%
Aleutians West Census Area	2.0%	6.2%	1.5%
Anchorage, Municipality	5.6%	13.0%	4.4%
Bethel Census Area	18.3%	22.9%	1.6%
Bristol Bay Borough	8.1%	17.0%	3.5%
Denali Borough	3.0%	-	1.7%
Dillingham Census Area	11.9%	18.2%	1.9%
Fairbanks North Star Borough	7.0%	20.2%	4.9%
Haines Borough	3.7%	-	3.7%
Hoonah-Angoon Census Area	10.9%	21.0%	6.2%
Juneau, City and Borough	5.8%	20.2%	3.6%
Kenai Peninsula Borough	7.8%	19.4%	7.0%
Ketchikan Gateway Borough	6.6%	15.9%	4.5%
Kodiak Island Borough	5.2%	12.8%	4.3%
Kusilvak Census Area	28.9%	32.9%	-
Lake and Peninsula Borough	15.7%	23.4%	2.6%
Matanuska-Susitna Borough	9.5%	17.0%	8.7%
Nome Census Area	16.7%	23.8%	2.7%
North Slope Borough	9.0%	20.5%	1.7%
Northwest Arctic Borough	18.7%	25.4%	2.5%
Petersburg Borough	4.3%	11.9%	3.0%
Prince of Wales-Hyder CA	12.1%	19.6%	7.1%
Sitka, City and Borough	4.4%	7.6%	2.9%
Skagway, Municipality	6.8%	-	7.1%
Southeast Fairbanks Census Area	10.2%	-	6.9%
Valdez-Cordova Census Area	6.6%	12.6%	6.4%
Wrangell, City and Borough	5.6%	-	5.0%
Yakutat, City and Borough	6.1%	13.1%	4.4%
Yukon-Koyukuk Census Area	18.8%	24.7%	6.5%

Notes: Covers only those who reported a single race. The Alaska Native category includes Native Americans. A dash means that due to sample size, the area's margin of error was too high to be usable.

Source: U.S. Census Bureau, American Community Survey 2014 to 2018

sample sizes. Only Anchorage shows much detail for all racial and ethnic groups, and its patterns are similar to the statewide numbers on the previous page.

While it's important to remember that margins of error in the American Community Survey can be relatively high even for the larger racial groups and areas, the data show some clear patterns.

Unemployment rates for Alaska Natives exceeded 20 percent in 10 of the 24 areas with available data, with the highest reported at 32.9 percent in the Kusilvak Census Area in western Alaska.

In 2019, Kusilvak had a population of 8,180 spread over 13 communities with populations ranging from 1,239 in Hooper Bay to 116 in Pitkas Point.

About the data

We calculate labor force statistics each month for the state, six regions, and 29 boroughs and census areas, but sample sizes are too small in Alaska and most states to generate data for demographic groups every month. Those statistics are available annually from the U.S. Census Bureau's American Community Survey.

As its name implies, the ACS is sample-based – and when populations are smaller than 20,000, a five-year sample is necessary to produce results. In 2019, 24 of Alaska's 29 borough equivalents fit this description.

Even with five years' worth of data, the sample can still be too small to produce reliable statistics for some race categories and areas. This is reflected in the ACS's accompanying margins of error, which tend to be high for Alaska. The smallest places have the highest margins of error, and some are so high they aren't reliable enough to be usable for some demographic groups.

Despite these limitations, the available data do shed light on some broad patterns in Alaska's labor market.

Kusilvak has the lowest per capita income in Alaska and the highest rate of poverty.

Job scarcity is one reason rates are so high in Native majority areas, which are all rural. The reason for the focus on Kusilvak, despite it being one of the smaller census areas, is it's a good proxy for remote or "village" Alaska. That's because data for other boroughs and census areas are often distorted by a large regional center or city.

An example is Bethel, which has a population of 6,259. The Bethel Census Area has 33 other communities with populations between 15 and 814, and those communities probably more closely represent Kusilvak's economic and demographic profiles than Bethel's.

Although unemployment among Alaska Natives is lower in urban areas, those areas' rates are also relatively high. The Native unemployment rate was 13.0 percent in Anchorage over the most recent five-year period, in contrast to 19.3 percent statewide. While that was much lower than in the smallest areas, it was still more than double Anchorage's overall rate of 5.6 percent.

Labor force participation rates by race show similar patterns

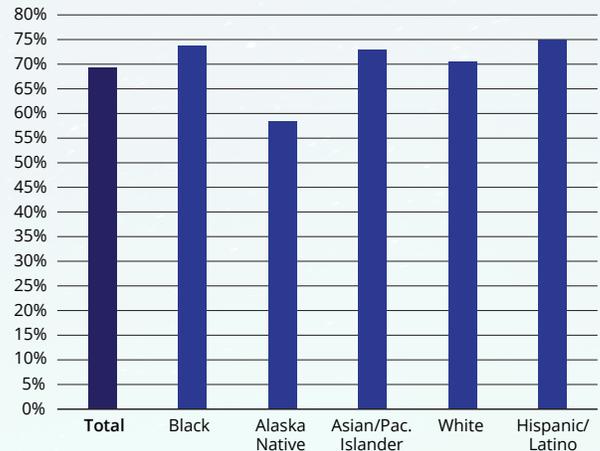
The lack of available jobs in majority Native areas is also reflected in the labor force participation rate, which is the percentage of the working-age population — those 16 and older — who are either working or looking for work.

Labor force participation is perhaps a better employment indicator for the Native population than the unemployment rate, which only covers those who are actively seeking paid employment. In small, remote communities, many people aren't looking for a job because they know there's little chance of finding one.

Similar to the unemployment rates, the 58 percent labor force participation rate among Alaska Natives was much lower than the 70-plus percent rates for other groups, but Natives participated at higher rates in urban areas such as Sitka, Anchorage, and Juneau: places with more jobs.

These numbers don't capture the unpaid work that's often necessary for village life, such as subsistence and family care. They also don't show qualitative changes in the types of jobs Alaska Natives hold compared to previous decades. Job opportunities have improved over the past three decades with the advent and growth of Native corporations, health care nonprofits, and other

Alaska labor force participation



Notes: The labor force participation rate reflects the employed plus the unemployed, ages 16-plus. Categories cover only those who reported a single race. The Alaska Native category includes Native Americans. Hispanic/Latino ethnicity can be of any race.

Source: U.S. Census Bureau, American Community Survey 2014 to 2018

Native-based organizations.

What these data clearly show, however, is that employment barriers persist for a substantial part of Alaska's Native population.

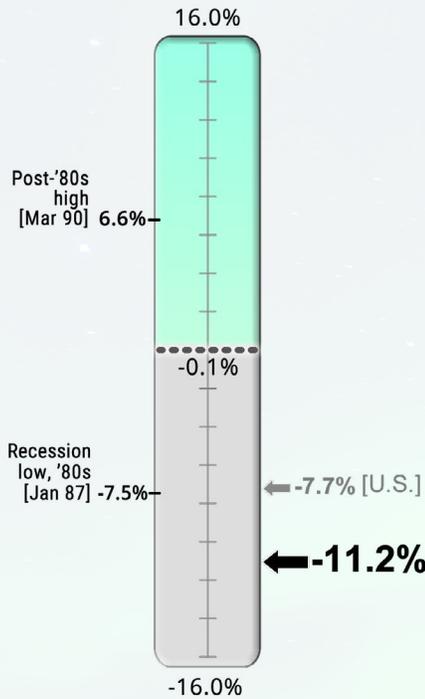
Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

Gauging The Economy



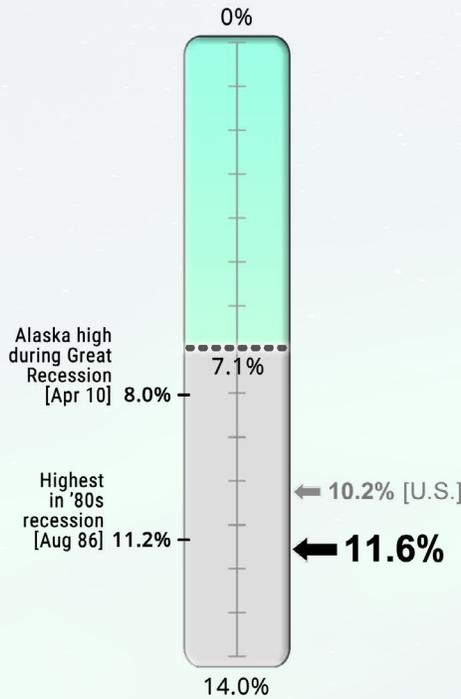
Job Growth

July 2020
Over-the-year percent change



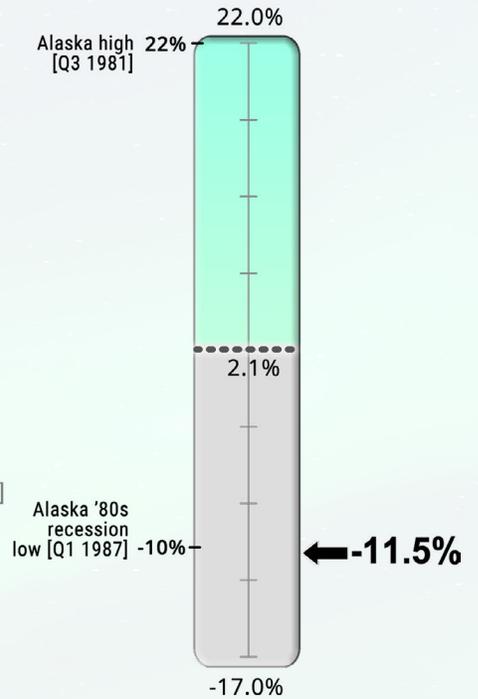
Unemployment Rate

July 2020
Seasonally adjusted



Wage Growth

2nd Quarter 2020 (estimate)
Over-the-year percent change



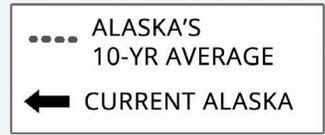
➤ The shutdowns to slow the spread of COVID-19 caused a rapid drop in employment, beginning in April.

➤ The unemployment rate is again higher than the national rate, which is typical for Alaska, after a couple of months of higher unemployment nationally after the pandemic started.

➤ After 10 straight quarters of wage growth, Alaska's total wages fell dramatically with the pandemic.

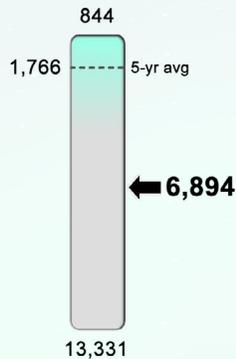
➤ Second quarter wage data for Alaska are estimated. U.S. wage growth data are only available through the first quarter of 2020.

Gauging The Economy



Initial Claims

Unemployment, week ending Aug. 8, 2020**

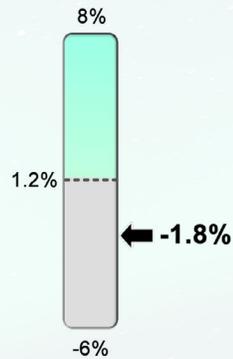


➤ Unemployment claims jumped in the spring with the coronavirus pandemic as many businesses shut down or limited services, and they remain elevated.

**Four-week moving average ending with specified week

GDP Growth

1st Quarter 2020
Over-the-year percent change*

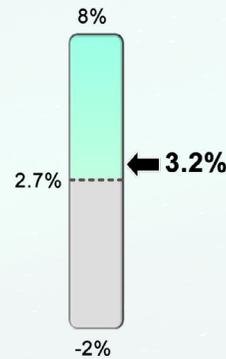


➤ Gross domestic product is the value of the goods and services a state produces. This GDP decline was the first over-the-year loss since the third quarter of 2016.

*In current dollars

Personal Income Growth

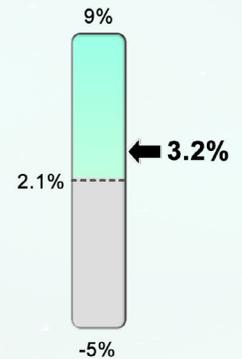
1st Quarter 2020
Over-the-year percent change



➤ Personal income includes wages as well as transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. After five quarters well above the 10-year average, growth slowed in the first quarter of 2020.

Change in Home Prices

Single-family, percent change from prior year, Q2 2020**

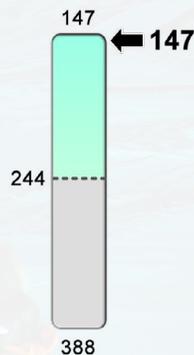


➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

**Four-quarter moving average ending with specified quarter

Foreclosures

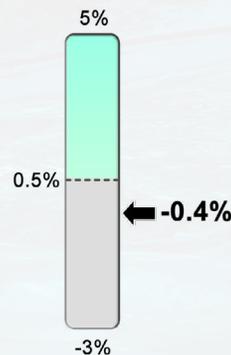
1st Quarter 2020



➤ Foreclosure rates remain very low and were low throughout the recent state recession, highlighting how different it was from the '80s recession when foreclosures exceeded 2,000 in some quarters.

Population Growth

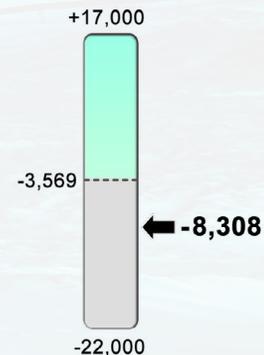
2018 to 2019



➤ This was the third straight year of population decline.

Net Migration

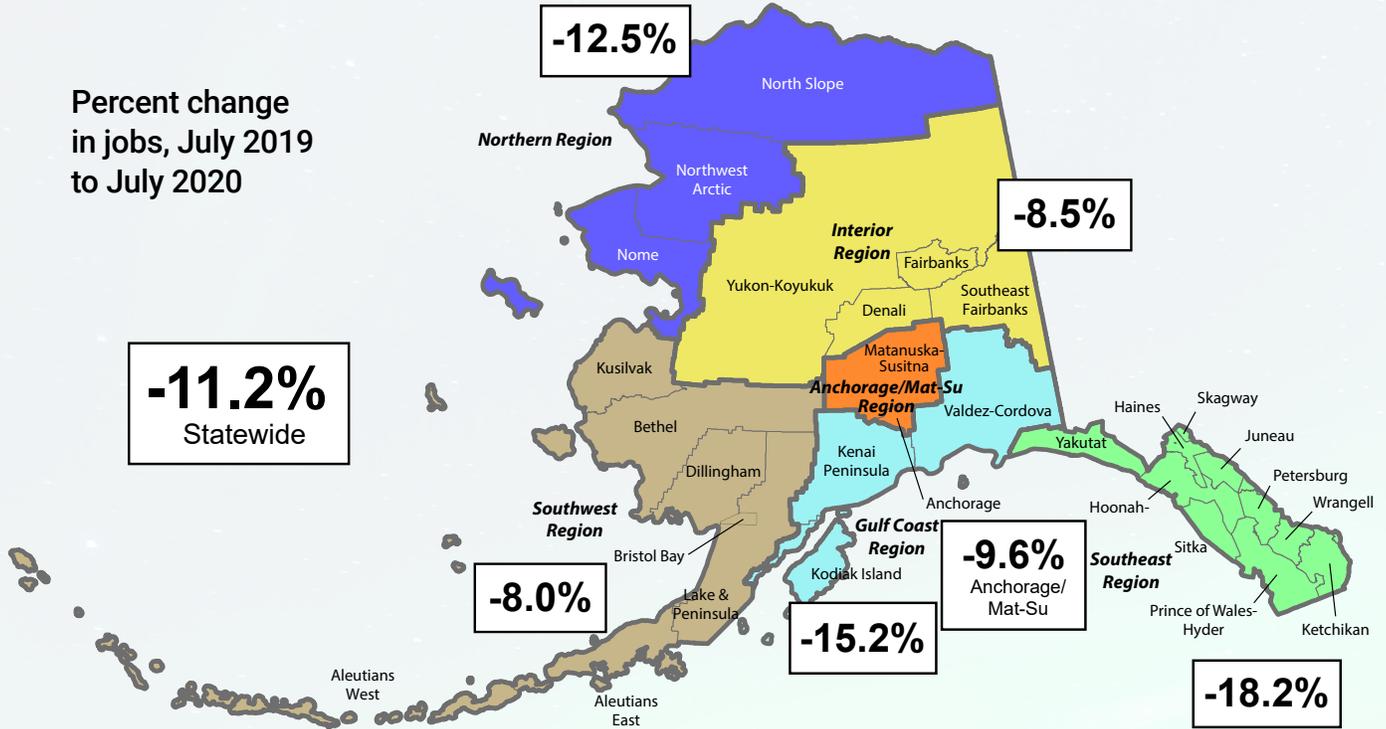
2018 to 2019



➤ The state had net migration losses for the seventh consecutive year in 2019. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, July 2019 to July 2020



Seasonally adjusted

	Prelim.	Revised	
	07/20	06/20	07/19
United States	10.2	11.1	3.7
Alaska	11.6	12.4	6.2

Not seasonally adjusted

	Prelim.	Revised	
	07/20	06/20	07/19
United States	10.5	11.2	4.0
Alaska	10.8	12.3	5.6

Regional, not seasonally adjusted

	Prelim.	Revised			Prelim.	Revised			Prelim.	Revised	
	07/20	06/20	07/19		07/20	06/20	07/19		07/20	06/20	07/19
Interior Region	9.3	10.8	5.5	Southwest Region	10.8	13.5	8.8	Southeast Region	11.3	13.2	4.7
Denali Borough	9.4	12.2	3.5	Aleutians East Borough	3.1	5.6	1.7	Haines Borough	15.9	20.1	4.7
Fairbanks N Star Borough	8.9	10.5	4.9	Aleutians West Census Area	4.1	9.5	2.7	Hoonah-Angoon Census Area	14.5	16.7	6.8
Southeast Fairbanks Census Area	9.1	10.8	8.2	Bethel Census Area	16.4	15.8	13.9	Juneau, City and Borough	10.2	11.7	3.9
Yukon-Koyukuk Census Area	15.8	16.3	13.7	Bristol Bay Borough	2.8	6.9	1.7	Ketchikan Gateway Borough	12.7	14.5	4.8
Northern Region	13.7	15.0	11.6	Dillingham Census Area	7.6	10.1	6.0	Petersburg Borough	9.3	13.6	6.1
Nome Census Area	15.4	16.1	12.6	Kusilvak Census Area	25.3	24.7	22.9	Prince of Wales-Hyder Census Area	13.3	14.1	9.5
North Slope Borough	8.3	9.9	7.0	Lake and Peninsula Borough	9.5	12.3	7.2	Sitka, City and Borough	8.9	11.8	3.4
Yukon-Charley Rivers National Preserve	16.8	18.8	15.4	Gulf Coast Region	10.7	12.5	5.1	Skagway, Municipality	19.1	18.7	2.7
Anchorage/Mat-Su Region	11.0	12.2	5.3	Kenai Peninsula Borough	11.9	13.4	5.5	Wrangell, City and Borough	10.8	12.9	6.2
Anchorage, Municipality	10.8	12.0	4.9	Kodiak Island Borough	8.0	10.3	4.0	Yakutat, City and Borough	10.8	12.9	5.1
Mat-Su Borough	11.8	13.1	6.6	Valdez-Cordova Census Area	7.8	10.3	4.5				

How Alaska Ranks

Unemployment Rate¹



Job Growth²



Job Growth, Private²



Job Growth, Government²



Job Growth, Leisure and Hospitality²



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹July seasonally adjusted unemployment rates

²July employment, over-the-year percent change

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

Other Economic Indicators

	Current	Year ago	Change	
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	225.049	1st half 2020	228.858	-1.66%
Commodity prices				
Crude oil, Alaska North Slope, * per barrel	\$43.56	July 2020	\$65.99	-34.00%
Natural gas, residential, per thousand cubic feet	\$12.34	May 2020	\$11.58	+6.56%
Gold, per oz. COMEX	\$1,999.90	8/19/2020	\$1,511.00	+32.36%
Silver, per oz. COMEX	\$27.92	8/19/2020	\$16.94	+64.82%
Copper, per lb. COMEX	\$301.00	8/19/2020	\$260.80	+15.41%
Zinc, per MT	\$2,458.50	8/18/2020	\$2,262.00	+8.69%
Lead, per lb.	\$0.90	8/19/2020	\$0.94	-4.26%
Bankruptcies				
	76	Q2 2020	106	-28.30%
Business	5	Q2 2020	9	-44.44%
Personal	71	Q2 2020	97	-26.80%
Unemployment insurance claims				
Initial filings	30,173	July 2020	3,149	+858.18%
Continued filings	167,030	July 2020	22,810	+632.27%
Claimant count	40,968	July 2020	5,375	+662.20%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; U.S. Energy Information Administration; Kitco; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

EMPLOYER RESOURCES

Virtual job fair safely connects job seekers, employers

The Alaska Department of Labor and Workforce Development, in partnership with Source 360 Group Inc., has launched a new service to connect job seekers and employers during this time of social distancing.

Employers and job seekers can meet online and use various tools such as chat rooms, webcasts, training/workshop videos, webinars, and employer online hiring sites. For example, employers can use the chat feature to hold real-time meetings with prospective employees.

Using a virtual job fair eliminates geographic barriers

and transportation issues, providing better access to the event at any time via smartphone or computer.

Job seekers can access Virtual Job Fairs at www.jobs.alaska.gov/jobfairs. Upcoming events will be listed as scheduled by employers seeking workers. Employers can request a virtual job fair at <https://alaska.statevirtualjobfair.com> or by contacting the VJF coordinator at: alaskavirtualjobfair@alaska.gov.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development. <https://labor.alaska.gov/dets/>