ALASKA ECONOMIC
TRENDS

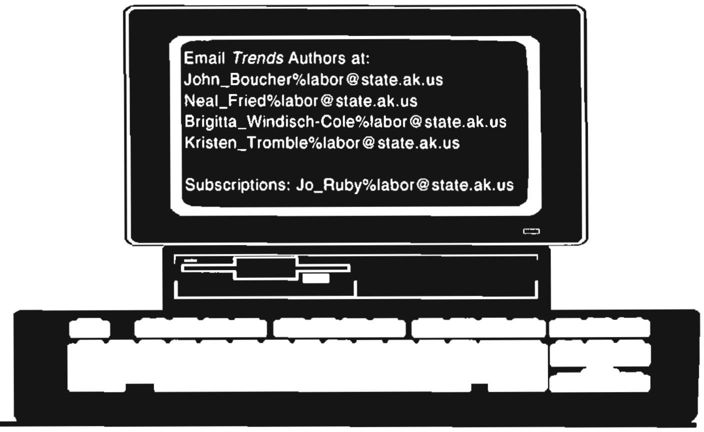
August
1995

WARMER TEMPERATURES HEAT UP EMPLOYMENT

TRENDS PROFILES
DELTA REGION — WRANGELL

ALASKA DEPARTMENT OF LABOR • TONY KNOWLES, GOVERNOR

ALASKA ECONOMIC TRENDS



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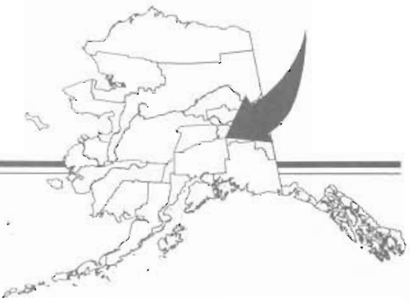
A *TRENDS* profile —

The Delta Region



by Neal Fried and Brigitta Windisch-Cole

Delta is located at the junction of the Richardson and Alaska highways, approximately 100 miles southeast of Fairbanks. Exact boundaries of the area are not readily identifiable, but for the purposes of this article the Delta region includes the city of Delta Junction, Big Delta, Ft. Greely, the Clearwater area and Healy Lake. (See Table 1.) Its northern and southern boundaries are the Fairbanks North Star Borough and Healy Lake.

History tied to highway traffic

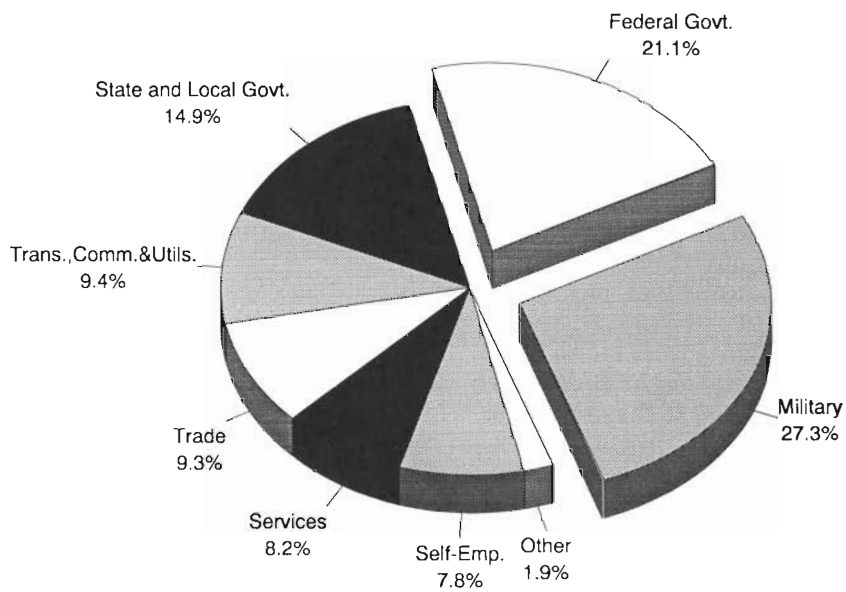
Delta's history has always been tied to highway traffic—even before automobiles traveled these roads. At the turn of the century, the Richardson Trail was established between Valdez and the Fairbanks gold fields and the area's first roadhouse was built. In 1942 its road-bound fate was secured with the construction of the Alaska Highway—Delta served as its northern terminus. Since that time, much of Delta's economy has been tied to providing highway-related services to travelers, visitors and commercial traffic, and highway maintenance for the Alaska and Richardson highways.

Military dominates the region's economy

If nothing more had occurred, Delta's economy would no doubt still be virtually dependent upon the highway as its economic lifeline. But in concert with the construction of the Alaska Highway, airfields were built in 1942 as part of the lend/lease program with the Soviet Union. This program involved ferrying American-built fighter planes to Russia via a number of airfields in Canada and Alaska; one of these airfields later became Ft. Greely. In 1948 Ft. Greely became the Northern Warfare

Figure • 1

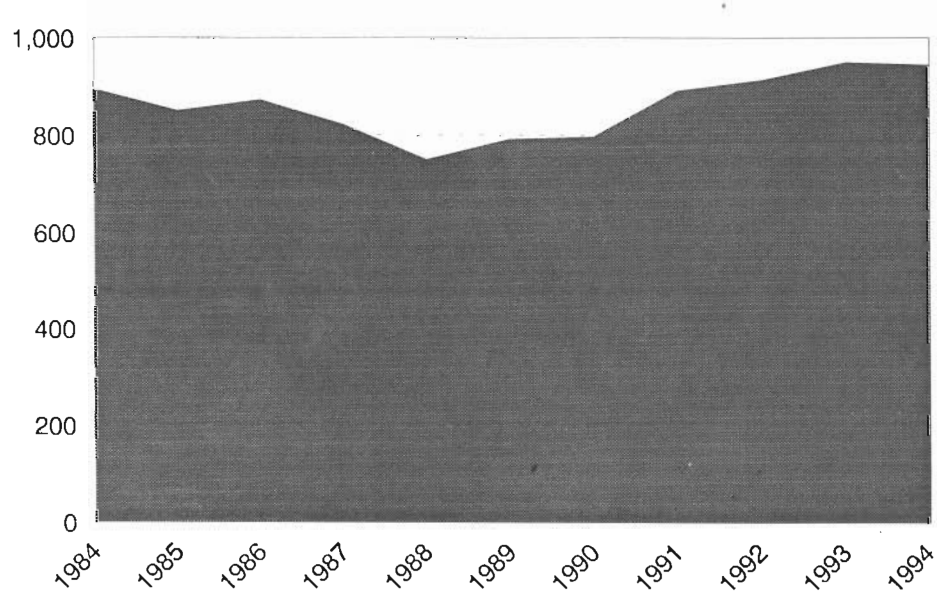
Fort Greely Is the Big Player in the Delta Employment Scene—1994



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

Figure • 2

Delta's Employment Has Remained Pretty Stable
Wage & Salary Employment 1984-1994



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

Training Center and the Cold Regions Test Center for the Army. Delta's economic fate and prosperity quickly became linked to Ft. Greely. Today no other employer comes close to dominating Delta's economy like the military does. This is why in early 1995 Delta was shocked to hear the announcement by the Base Realignment and Closure Committee (BRAC) that Fort Greely was on the military list to be "realigned" by 1998 which would mean that 55 civilians and 20 soldiers would be left behind to maintain the post. In June BRAC made its final decision which pushed the beginning of the realignment to July of 1997 and would phase it in through the year 2001. This was not what the residents from Delta wanted to hear but it bought them some more time to adjust to these changes.

How big a mainstay is the military?

Big. Is the Delta area a company town? Not quite, but pretty close. The distribution of employment illustrates the region's dependence on the military. (See Figure 1 and Table 2.) If we include the soldiers, federal civilians, and private contractors (includes only contract employees on base), the base generates approximately 750 direct jobs, or over 50 percent of all employment in the Delta area. The vast majority of the federal civilian jobs are civil service jobs on Ft. Greely. Few of these jobs are held by military dependents, which means most of these individuals live off-base. These jobs represent the single largest group of "good-paying" jobs in the region.

Table • 1

Delta Region's Population

	1993
Big Delta	445
Delta Junction	693
Fort Greely	1,134
Balance of region	1,718
Total	3,978

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

The near closure of the post would also mean other jobs would be lost in the region. An example of one "indirect" but immediate impact would be felt by the region's second largest employer, the Delta/Greely School District. (See Table 3.) Forty-eight percent of its enrollment is comprised of dependents of soldiers and federal workers on the base. One could easily assume then that, with the Ft. Greely realignment, close to half of the school district staff would be lost. This is a conservative number since other students would also no doubt leave the area as the economic impact of the realignment became more widespread.

One way to measure indirect employment impacts is to look at employment multipliers. Although they only provide very rough estimates, they can be a good illustrative tool. For example, statewide multipliers for federal civilian jobs generally run between 1.8 and 2.0. This means that for every civilian job loss, 0.8 to 1.0 job is lost elsewhere in the econ-

Table • 2

Delta's Employment by Industry 1984-1994

	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Total Industries	893	849	871	820	748	790	795	890	912	948	943
Mining	*	*	*	*	*	*	*	*	*	*	*
Construction	*	*	*	*	*	*	*	*	*	*	*
Manufacturing	*	*	*	*	*	*	*	*	*	*	*
Trans., Comm. & Utilities	97	97	97	97	98	107	110	111	125	128	136
Trade	93	91	75	79	84	97	94	102	111	137	135
Fin. Ins. & Real Estate*	*	*	*	*	*	*	*	*	*	*	*
Services	78	82	139	126	84	86	109	116	116	102	119
Government	564	517	516	477	450	461	450	538	539	554	521
Federal	392	352	357	335	310	311	302	349	340	330	306
State	14	15	13	10	13	12	11	53	52	59	65
Local	159	150	146	132	128	138	137	137	148	165	150

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

omy. The multipliers for Delta would be lower because of the size of its economy. A smaller economy usually translates into larger economic leakages. The impact of the other indirect job losses would be smaller than the civil service jobs. For example, many of the contractor jobs are part time and pay lower salaries, and a higher percentage of these workers are military dependents (which means they live on base). And the impact of the loss of nearly all of the enlisted personnel would be smaller because nearly all of them live on the post and most of the services they consume are provided there. If the different impacts are combined, the Delta area could lose 65-70 percent of the area's work force.

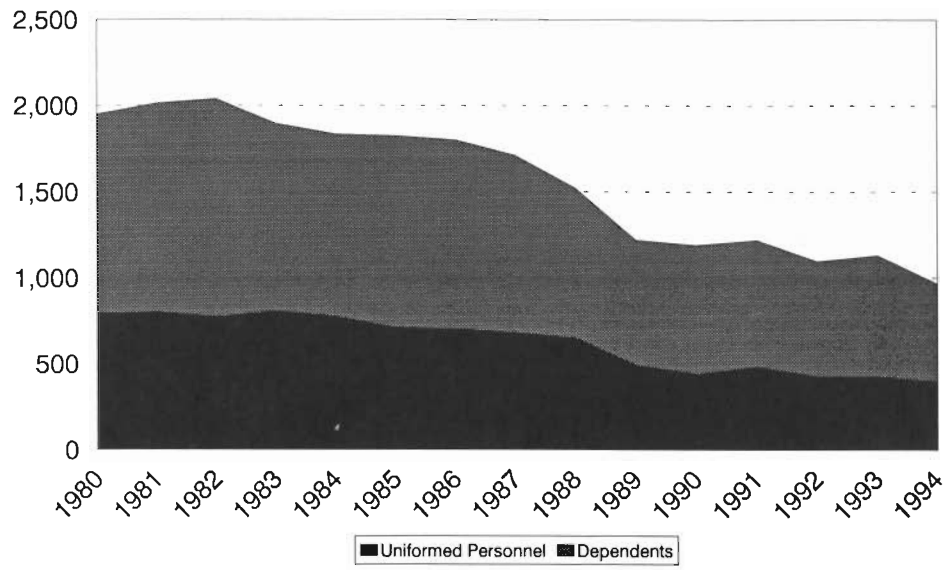
Agriculture, pipeline fill economic niche

Few other activities, besides highway traffic and the military, round out Delta's economy. As soon as the first roadhouses were established, agriculture began to gain a foothold in the region. In the late 1970s and early 1980s, the state sponsored an ambitious agricultural project in Delta. Over 100,000 acres were developed for cultivation. The results were mixed with a number of the operations later failing, which caused production to fall steeply. According to the Cooperative Extension Service, this trend began to reverse itself about five years ago with production growing again by five-10 percent per year. One recent count pegged the number of active farms at 75, ranging in size from 25 acres to 5,000. The major crops include grain, forage, five dairies, and some beef and hog production.

Delta was one of the focal points of the construction of the Trans-Alaska Pipeline during the mid-1970s. The boom subsided as quickly as it began; however, it left important permanent economic activity behind. The pipeline's Pump Station Nine is a few miles away from Delta Junc-

Figure • 3

Fort Greely's Military and Dependent Population Has Been Falling



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

Table • 3

Delta's Top Ten Employers[1]

Rank	Firm	1994 Annual Avg. Employment
1	Federal Government	306
2	Delta/Greely School District	134
3	Alyeska Pipeline Service Company	74
4	State of Alaska	65
5	Alaska Motor Coaches Inc.	31
6	Delta Shop-Rite	31
7	Family Medical Center	28
8	Tag Company (military contractor)	27
9	Miners House (restaurant)	21
10	City of Delta Junction	16

[1] Published with permission of employers.

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

Table • 4

A Snapshot of the Delta Region and Vicinity
Statistics from the 1990 Census

Compared to Alaska as a whole...	Alaska	Delta Junction and vicinity	Fort Greely and vicinity
Population 1990	550,043	2,621	1,299
Median age	29.4	32.4	23.2
Percent under 5 years old	10.0%	8.3%	15.9%
Percent 21 years & over	64.5%	61.0%	56.2%
Percent 65 years & over	4.1%	4.1%	-
Percent White	75.5%	91.8%	72.0%
Percent Black	4.1%	1.5%	19.0%
Percent American Indian, Eskimo, or Aleut	15.6%	5.0%	0.9%
Percent Asian/Pacific Islander	3.6%	1.4%	3.1%
Percent Other Races	1.2%	0.2%	5.0%
Percent Hispanic origin	3.2%	1.0%	7.7%
Percent of all 16 years + in labor force	74.7%	63.9%	87.1%
Percent males 16+ in labor force	82.1%	74.6%	97.9%
Percent males unemployed	10.0%	8.8%	15.9%
Percent females 16+ in labor force	66.4%	52.6%	71.5%
Percent females unemployed	7.3%	7.4%	14.1%
Median household income in 1989	$41,408	$38,292	$25,865
Percent of households below poverty level	8.0%	11.5%	3.9%
Percent with less than $5,000 income	3.5%	5.9%	-
Percent with $5,000- $9,999 income	4.8%	6.6%	-
Percent with $10,000-$14,999 income	6.4%	6.3%	7.4%
Percent with $15,000-$24,499 income	13.3%	12.5%	38.6%
Percent with $25,000-$34,999 income	13.6%	14.3%	29.4%
Percent with $35,000-$49,999 income	18.5%	20.1%	17.2%
Percent with $50,000-$74,999 income	21.3%	20.4%	7.4%
Percent with $75,000-$99,999 income	10.9%	10.4%	-
Percent with $100,000 or more income	7.7%	3.6%	-
Median Gross Rent	$559	$492	$438
Percent rented for less than $200	1.7%	-	-
Percent rented for $200-$299	5.4%	4.2%	-
Percent rented for $300-$499	27.8%	37.0%	3%
Percent rented for $500-$749	29.8%	31.2%	2%
Percent rented for $750-$999	12.8%	5.3%	-
Percent rented for $1,000 or more	9.1%	1.6%	-
Percent with no cash rent	13.5%	20.6%	95%

Source: U.S. Bureau of the Census.

tion and Pump Station Ten is 47 miles down the Richardson Highway. As a result, the Alyeska Pipeline Service company is the area's single largest private sector employer. (See Table 3.)

Future tough to picture without Ft. Greely

Developing alternative economic opportunities in the Delta area could be far more difficult than most other communities which have faced similar fates. Few other industries or employers could provide the community with so many good-paying, non-seasonal, and stable jobs. No other community is really close enough for the Delta residents to make a daily commute to find alternative economic opportunities. In the short- to mid-term, none of the existing industries can come anywhere close to picking up the economic slack the re-alignment would cause. In addition, many services and amenities currently provided to the community by Ft. Greely will be lost.

Delta would also hope to be given access to the infrastructure of Ft. Greely so it could be used for alternative economic activity. The community is already brainstorming possible use of some of the base facilities. Some of these ideas include using the post as a boarding school, prison, free-trade zone, commercial cold testing site, timber processing center, etc.

Trends profiles are a new feature which will appear periodically in ***Alaska Economic Trends***. For more information, contact
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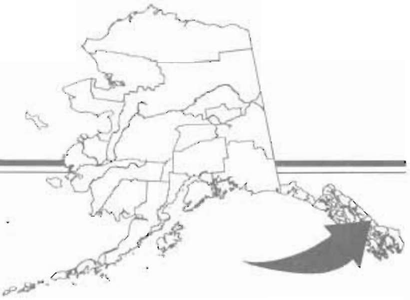
A *TRENDS* profile —

The City of Wrangell



by Kristen Tromble and John Boucher

Wrangell is located in the Tongass National Forest at the mouth of the Stikine River. Fur, gold, fish, and lumber have each played leading roles in creating and sustaining Wrangell's economy. While natural resources have provided strong support for Wrangell's economy, dependence on them has proven to be the economy's greatest weakness. Throughout its history, Wrangell has been susceptible to boom and bust cycles as resource industry activity rises and falls.

Fort founded on the fur trade

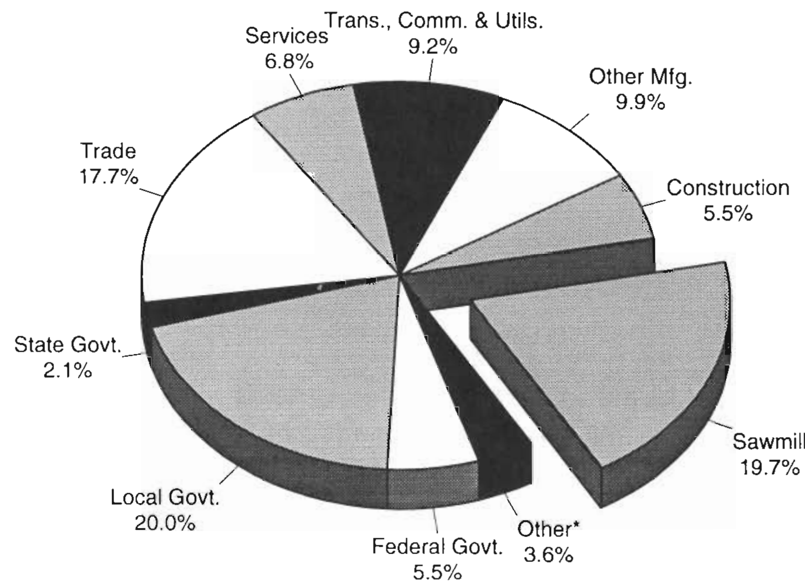
Wrangell's beginnings date back to the Russian fur trade. When Russian explorers arrived around 1800, they found the Tlingit settled throughout the area. The abundance of otter, beaver, mink, and other fur bearing animals provided the impetus for the Russians to establish trade with the Tlingit and expand into the area. In 1834, the Russians erected a fort on the site that is now Wrangell to protect their fur trade. The fort, leased to the British in 1840, was abandoned in 1849 when the fur trade collapsed. The first boom had busted.

Gold was the next resource to affect the area's economy. Three times in the next 50 years, the town's population surged to supply an onrush of miners and then fell when the rush abated. The last short-lived gold boom in 1897 provided one more jolt to Wrangell's economy before it settled down to develop the fishing and timber resources which would see it through the next century.

Rich sea and timber resources fueled economic expansion. The first salmon cannery in the area opened in the 1880s, a second soon followed, and by the end of that decade the first sawmill started operations.

Figure • 1

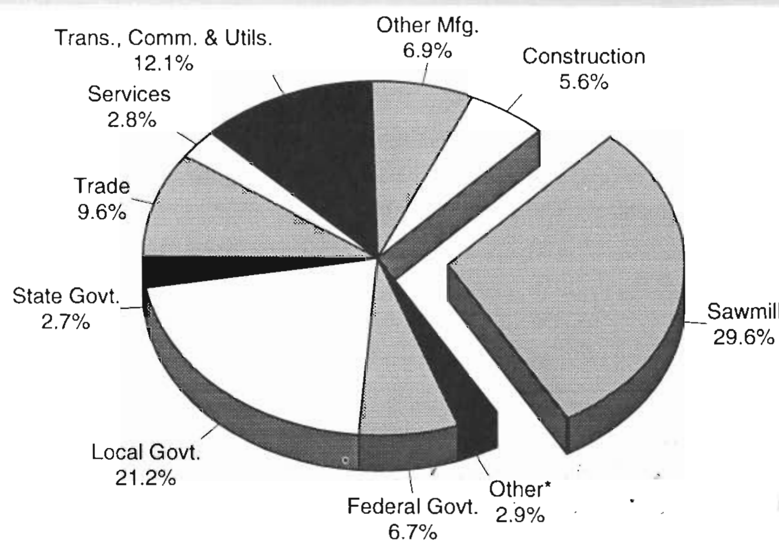
The Sawmill: Over 19% of Wrangell's Jobs . . .
Nonagricultural Wage & Salary Jobs, 1994



**Other = Finance, insurance and real estate; agriculture, forestry and fishing; and nonclassifiable.*
Source: Alaska Department of Labor, Research & Analysis Section.

Figure • 2

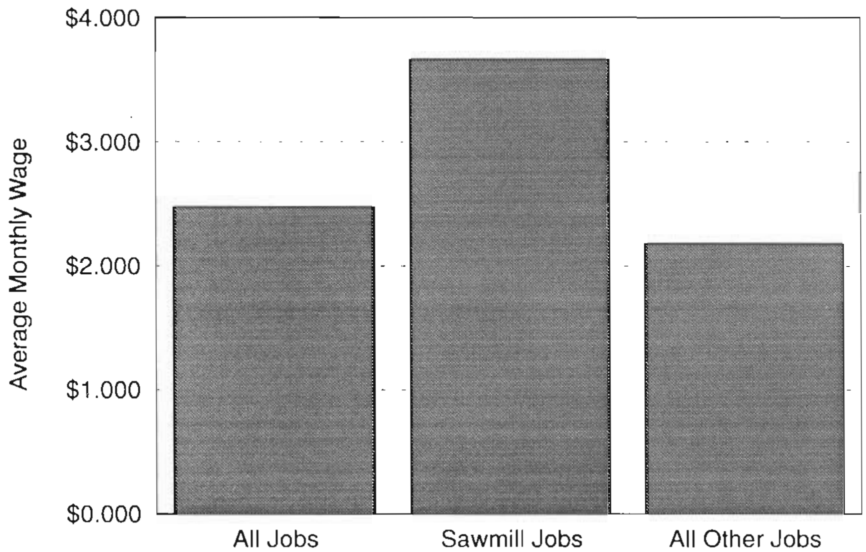
. . . And More than 29% of Wrangell's Payroll
Nonagricultural Wage & Salary Earnings, 1994



**Other = Finance, insurance and real estate; agriculture, forestry and fishing; and nonclassifiable.*
Source: Alaska Department of Labor, Research & Analysis Section.

Figure • 3

Sawmill Workers Earned More
Sawmill and Total Nonagricultural Employment in Wrangell, 1994



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

Through the following decades commercial fisheries were established for salmon, halibut, pollack, flounder, herring, crab, and shrimp. Spruce and hemlock trees provided wood for the mills. Lumber and wood products became Wrangell's major industry.

Sawmill was city's economic centerpiece

Modern Wrangell's economy has been built on the manufacturing industry, in particular wood products. (See Table 1.) The Alaska Pulp Corporation's sawmill has been Wrangell's economic foundation. At its peak, the sawmill employed nearly 250 people and indirectly supported a number of other jobs. Last year, the mill provided one out of every five jobs in Wrangell. (See Figures 1 and 2.) In addition, sawmill workers received an average wage more than 50 percent higher than wages paid for other jobs. (See Figure 3.) As a result, the sawmill accounted for nearly 30 percent of payroll wages in Wrangell.

Table • 1

Wrangell's Employment by Industry 1980-1994

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Total Nonag. Wage/Salary	966	954	901	883	704	688	675	960	1,031	894	891	917	967	1,044	1,059
Mining	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Construction	64	102	56	157	48	57	53	27	17	27	19	23	45	55	59
Manufacturing	387	340	306	171	96	89	86	397	429	254	239	280	292	344	315
Trans., Comm. & Util.	104	78	79	89	103	100	82	80	97	104	120	88	91	101	98
Trade	142	151	154	164	146	141	140	143	153	164	159	166	169	171	188
Finance, Ins. & R.E.	10	11	11	11	12	12	13	14	13	15	18	15	14	14	14
Services	56	56	67	64	57	52	58	58	72	67	76	74	75	77	72
Other	12	12	13	15	17	20	20	21	17	15	15	9	11	12	20
Government	190	205	214	211	225	218	222	221	232	248	246	262	270	270	294
Federal	46	55	64	58	54	51	46	47	45	45	49	49	46	53	59
State	2	3	2	5	4	5	4	4	4	5	4	23	22	22	22
Local	142	148	147	148	168	162	172	170	183	197	193	190	201	196	213

Note: 1984 through 1986 manufacturing numbers exclude the sawmill due to lack of cooperation of the mill operator at that time. An approximate upward adjustment of 150-175 in those years would more accurately reflect total employment in Wrangell. Industry employment numbers may not add to total due to rounding.
Source: Alaska Department of Labor, Research & Analysis Section.

In 1993, its last full year of operation, the sawmill's share of employment and payroll was even larger, close to 22 percent of jobs and 33 percent of total payroll.

The mill's closure in late 1994 resulted in a severe economic setback for the community. An unofficial estimate of Wrangell's unemployment showed a sharp increase in the city's jobless rate. In January 1995, immediately following the closure, Wrangell's unemployment rate jumped to over 21 percent. After the closure, unemployment has hovered in the 20 percent range. Since 1990, unemployment during the first quarter has typically been around 13 percent.

Early indications are that other industries cannot absorb all of the displaced workers and that many workers and their families have either left or will leave Wrangell. Higher rental unit vacancy rates, an increasing number of residences for sale, dropping school enrollment, and increased outgoing barge traffic all point to population out-migration.

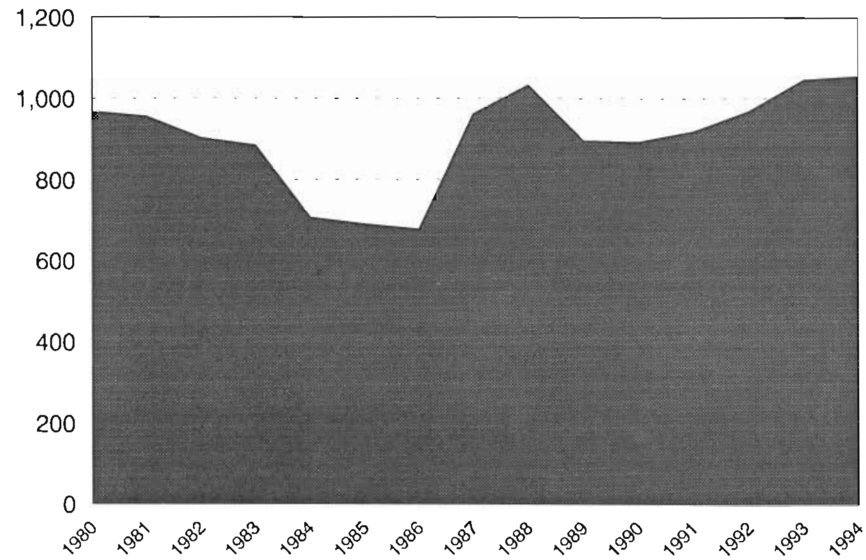
Another indicator of contraction is the drop in city sales tax revenue. Compared to the first quarter of 1994, Wrangell's sales tax revenue for the first quarter of 1995 fell 12.5%. In the last several years, sales tax revenue had grown at a 4.0% annual rate. The current decline indicates that the loss of income and population is driving down the demand for goods and services. Even Wrangell businesses not tied to the mill suffer from these losses. This in turn affects job prospects in other industries.

Many Wrangell businesses have been affected by the closure of the city's largest employer. (See Table 2.) In canvassing the list of large employers, several reported they are retrenching or refocusing their efforts in response to the sawmill closure. One firm will close this summer with

Figure • 4

Wrangell's Employment Has Been Fairly Stable

Wage & Salary Employment 1980-1994[1]



[1] See note on Table 1 for 1984-1986.
Source: Alaska Department of Labor, Research & Analysis Section.

Table • 2

Wrangell's Fifteen Largest Employers[1]

Rank	Firm	1994 Annual Avg. Employment
1	Alaska Pulp Corporation	210
2	City of Wrangell	84
3	Wrangell Public Schools	78
4	Wrangell Fisheries	54
5	U.S. Forest Service	50
6	Wrangell General Hospital	49
7	Campbell Towing	48
8	City Market & Sentry Hardware	33
9	Dock Side Restaurant	22
10	Woolly Mammoth Construction	18
11	Sea Island Cutting Inc.	17
12	BPO Elks 1595	15
13	Wrangell Mental Health Service	14
13	Sea Level Seafoods Inc.	14
14	Ritchie Transportation Company	13
15	Stikine Inn	12

[1] Published with permission of employers. Two private employers in the top fifteen list asked to be excluded from the table.

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

T a b l e • 3

A Snapshot of Wrangell City
Statistics from the 1990 Census

Wrangell's population grew more slowly...	Wrangell	Alaska
Percent change 1980-1990 (1990 Population = 2,481)	13.6%	36.9%
The racial mix is less diverse...		
Percent White	78.8%	75.5%
Percent American Indian, Eskimo, or Aleut	20.0%	15.6%
Percent Hispanic (of all races)	1.6%	3.2%
Percent Asian/Pacific Islander	0.7%	3.6%
Percent Black	0.3%	4.1%
Fewer people hold degrees...		
Percent high school graduate or higher	78.4%	86.6%
Percent bachelor's degree or higher	16.2%	23.0%
More workers are self-employed...		
Percent private wage and salary workers	61.0%	61.9%
Percent government workers	24.4%	29.6%
Percent self-employed workers	13.9%	8.2%
Percent unpaid family workers	0.8%	0.3%
Fewer households have incomes over $50,000...		
Median household income in 1989	$37,358	$41,408
Percent with less than $5,000 income	1.7%	3.5%
Percent with $5,000-$9,999 income	5.7%	4.8%
Percent with $10,000-$14,999 income	9.3%	6.4%
Percent with $15,000-$24,999 income	9.3%	13.2%
Percent with $25,000-$34,999 income	19.2%	13.6%
Percent with $35,000-$49,999 income	21.2%	18.5%
Percent with $50,000-$74,999 income	20.1%	21.3%
Percent with $75,000-$99,999 income	8.4%	10.9%
Percent with $100,000 or more income	5.1%	7.7%
Housing costs are lower...		
Median monthly mortgage for owner occupied units	$817	$1,059
Median gross rent	$502	$559
Percent rented for less than $200	7.6%	1.7%
Percent rented for $200-$299	7.6%	5.4%
Percent rented for $300-$499	30.2%	27.8%
Percent rented for $500-$749	39.2%	29.8%
Percent rented for $750-$999	5.1%	12.8%
Percent rented for $1,000 or more	2.9%	9.1%
Percent with no cash rent	7.0%	13.5%

Source: U.S. Bureau of the Census.

the owner citing the decline in work available in Wrangell as the reason.

Fisheries, tourism Wrangell's strengths

The sawmill's closure was a devastating blow to Wrangell's economic well-being, but other opportunities may cushion the impact. Current activity focuses on enhancing Wrangell's fisheries and tourism industries. Feasibility studies are underway for a cold storage and a haul-out and boat storage facility, which would expand the infrastructure for Wrangell's fishing industry. In the tourism arena, applications and permits for outfitter guides on U.S. Forest Service lands have increased since the mill closure.

Residents plan to generate additional tourism activity by promoting the Stikine/LeConte wilderness area and the world-class bear viewing area at Anan. There is also hope that the sawmill will reopen at some point in the future.

The immediate outlook for Wrangell appears bleak, but the community has survived previous downturns and may again parlay its resource strengths into an economic recovery. Future economic stability may depend on the ability of the community to expand into new areas such as tourism. The challenge for the community will be to stimulate demand for these activities and develop the skills needed to meet it.

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Warmer Temperatures Heat Up Employment

by Brigitta Windisch-Cole

Alaska's economy has added 3,200 jobs to its wage and salary employment count compared to last May. (See Table 1.) Year-to-date employment growth is 1.2%. While wage and salary employment growth is moderate, the state's unemployment picture has improved noticeably. The state posted an unemployment rate of 6.8% (not seasonally adjusted), meaning that 21,107 unemployed workers were actively looking for jobs. (See Table 4.) Compared to May of last year, almost 5,000 fewer workers are counted among the unemployed, a sharp drop from last year's unemployment rate of 8.5%.

Every region posted an improved unemployment rate compared to last May except Wrangell-Petersburg and the Bristol Bay Borough. Wrangell continues to struggle following the closure of the mill and the Bristol Bay Borough's fishing season has yet to resume.

Most regions geared up for the seasonal frenzy

Most regions in the state experienced a seasonal boost in economic activity. The only exceptions were the Northern and Southwest regions. Employment counts for the Northern region have been below last year's levels since the completion of the GHX-II project. In Southwest Alaska, fisheries closures contributed to an employment drop in May that should be temporary. Despite the April to May decrease, seafood processing employment in the region is still ahead of last year's pace. This, combined with retail trade and services industry growth, enabled Southwest Alaska to post a gain of 550 jobs over last May. (See Table 3.)

The Southeast, Gulf Coast, Interior, and Anchorage/Mat-Su regions all registered growth in employment compared to last year's levels. The Gulf Coast region's employment count is 700 jobs above last May's. Most of the region's sectors expanded their work force to prepare for a strong visitor and fishing season. Southeast Alaska is also growing, posting a job gain of 450 over the year. Some of the Southeast growth is attributable to a growing visitor industry and a portion is due to growth in retail/food merchandisers. The Interior region added 600 jobs compared to last year. Here, the 1.7% job growth marked the early stages of a strong construction and visitor season. Fairbanks' biggest construction site, Fort Knox, and Healy's Clean Coal project were in their site preparation and mobilization stages.

Clouds overshadow Anchorage's high employment season

Anchorage's economy posted a paltry 0.8% job growth rate compared to last May. (See Figure 1.) During the past year, Anchorage, the corporate headquarters for many employers, has been hit hard by downsizing. Mining (oil-related), air transportation, and financial institutions showed job losses over last year. The public sector also recorded job counts below last year's level.

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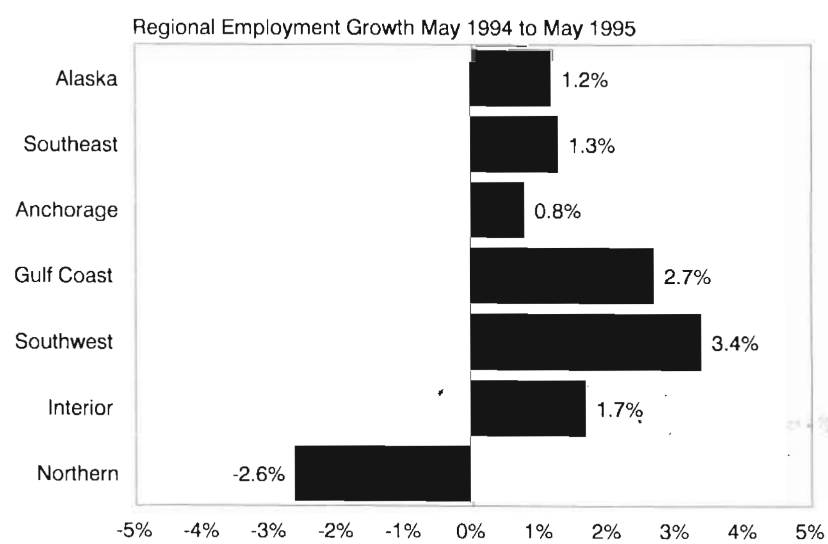
Figure • 1

A Mixed Picture Evolves During May



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

Table • 1

Nonagricultural Wage and Salary Employment by Place of Work

Alaska	p/ 5/95	r/ 4/95	5/94	Changes from 4/95	Changes from 5/94
Total Nonag. Wage & Salary	262,900	255,300	259,700	7,600	3,200
Goods-producing	37,600	35,700	37,300	1,900	300
Mining	9,200	9,200	10,400	0	-1,200
Construction	12,600	10,900	12,100	1,700	500
Manufacturing	15,800	15,600	14,800	200	1,000
Durable Goods	3,300	3,100	3,400	200	-100
Lumber & Wood Products	2,300	2,200	2,500	100	-200
Nondurable Goods	12,500	12,500	11,400	0	1,100
Seafood Processing	9,200	9,100	8,200	100	1,000
Pulp Mills	500	500	500	0	0
Service-producing	225,300	219,600	222,400	5,700	2,900
Transportation	23,600	22,700	23,600	900	0
Trucking & Warehousing	3,100	2,900	3,000	200	100
Water Transportation	2,200	1,800	2,100	400	100
Air Transportation	7,100	7,300	7,500	-200	-400
Communications	3,900	3,800	3,800	100	100
Trade	54,100	51,900	53,400	2,200	700
Wholesale Trade	8,400	8,200	8,300	200	100
Retail Trade	45,700	43,700	45,100	2,000	600
Gen. Merch. & Apparel	9,000	8,800	8,700	200	300
Food Stores	7,300	7,200	7,200	100	100
Eating & Drinking Places	15,600	14,400	15,300	1,200	300
Finance-Ins. & Real Estate	12,000	11,700	12,000	300	0
Services & Misc.	60,400	57,900	58,300	2,500	2,100
Hotels & Lodging Places	6,700	5,600	6,300	1,100	400
Health Services	13,200	13,100	12,600	100	600
Government	75,200	75,400	75,100	-200	100
Federal	18,400	18,100	19,000	300	-600
State	21,900	22,400	21,600	-500	300
Local	34,900	34,900	34,500	0	400

Municipality of Anchorage	p/ 5/95	r/ 4/95	5/94	Changes from 4/95	Changes from 5/94
Total Nonag. Wage & Salary	121,400	119,300	120,400	2,100	1,000
Goods-producing	11,500	10,800	11,400	700	100
Mining	2,900	3,000	3,300	-100	-400
Construction	6,500	5,800	6,200	700	300
Manufacturing	2,100	2,000	1,900	100	200
Service-producing	109,900	108,500	109,000	1,400	900
Transportation	12,400	12,300	12,700	100	-300
Air Transportation	4,300	4,500	4,600	-200	-300
Communications	2,500	2,500	2,400	0	100
Trade	28,900	28,300	28,400	600	500
Wholesale Trade	6,100	6,000	6,000	100	100
Retail Trade	22,800	22,300	22,400	500	400
Gen. Merch. & Apparel	4,500	4,400	4,300	100	200
Food Stores	3,300	3,300	3,300	0	0
Eating & Drinking Places	7,900	7,700	7,800	200	100
Finance-Ins. & Real Estate	7,300	7,200	7,400	100	-100
Services & Misc.	32,400	31,800	31,200	600	1,200
Hotels & Lodging Places	2,700	2,600	2,400	100	300
Health Services	6,700	6,700	6,400	0	300
Government	28,900	28,900	29,300	0	-400
Federal	10,900	10,800	11,200	100	-300
State	8,200	8,400	8,200	-200	0
Local	9,800	9,700	9,900	100	-100

Table • 2

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/ 5/95	r/ 4/95	5/94	p/ 5/95	r/ 4/95	5/94	p/ 5/95	r/ 4/95	5/94
Mining	$1,264.03	$1,184.35	$1,268.96	53.2	48.4	51.5	$23.76	$24.47	$24.64
Construction	1,171.11	1,075.83	1,103.16	45.8	44.2	44.5	25.57	24.34	24.79
Manufacturing	518.28	475.60	513.30	43.7	41.0	40.9	11.86	11.60	12.55
Seafood Processing	378.35	339.46	369.26	44.2	41.6	40.4	8.56	8.16	9.14
Trans., Comm. & Utilities	636.06	650.40	663.18	34.4	35.1	36.2	18.49	18.53	18.32
Trade	405.43	412.24	384.99	34.3	34.7	34.1	11.82	11.88	11.29
Wholesale	628.12	649.90	613.66	38.3	38.8	39.9	16.40	16.75	15.38
Retail	364.48	368.90	343.91	33.5	34.0	33.1	10.88	10.85	10.39
Finance-Ins. & R.E.	450.70	480.84	465.26	35.6	36.4	35.9	12.66	13.21	12.96

Notes to Tables 1-3:

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

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

p/ denotes preliminary estimates.

r/ denotes revised estimates.

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

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

Benchmark: March 1994

T a b l e • 3

Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region

	p/ 5/95	r/ 4/95	5/94	Changes from 4/95	Changes from 5/94
Total Nonag. Wage & Salary	36,400	34,300	35,950	2,100	450
Goods-producing	5,800	5,250	5,750	550	50
Mining	150	200	150	-50	0
Construction	1,800	1,550	1,600	250	200
Manufacturing	3,850	3,500	4,000	350	-150
Durable Goods	1,750	1,650	2,000	100	-250
Lumber & Woods Products	1,650	1,550	1,900	100	-250
Nondurable Goods	2,100	1,850	2,000	250	100
Seafood Processing	1,350	1,100	1,300	250	50
Pulp Mills	550	550	500	0	50
Service-producing	30,600	29,050	30,200	1,550	400
Transportation	3,250	2,700	3,150	550	100
Trade	6,950	6,400	6,700	550	250
Wholesale Trade	550	500	550	50	0
Retail Trade	6,400	5,900	6,150	500	250
Finance-Ins. & Real Estate	1,450	1,500	1,450	-50	0
Services & Misc.	6,550	6,000	6,300	550	250
Government	12,400	12,450	12,600	-50	-200
Federal	1,950	1,850	2,100	100	-150
State	5,450	5,550	5,400	-100	50
Local	5,000	5,050	5,100	-50	-100

Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	131,400	129,300	130,700	2,100	700
Goods-producing	12,200	11,500	12,250	700	-50
Mining	3,000	3,150	3,450	-150	-450
Construction	7,050	6,250	6,750	800	300
Manufacturing	2,150	2,100	2,050	50	100
Service-producing	119,200	117,800	118,450	1,400	750
Transportation	13,300	13,200	13,650	100	-350
Trade	31,500	30,850	31,150	650	350
Finance-Ins. & Real Estate	7,750	7,650	7,800	100	-50
Services & Misc.	34,650	34,050	33,500	600	1,150
Government	32,000	32,050	32,350	-50	-350
Federal	10,950	10,900	11,350	50	-400
State	9,050	9,300	9,100	-250	-50
Local	12,000	11,850	11,900	150	100

Gulf Coast Region

Total Nonag. Wage & Salary	26,850	25,200	26,150	1,650	700
Goods-producing	6,700	5,850	6,150	850	550
Mining	1,000	950	1,000	50	0
Construction	1,150	1,000	1,050	150	100
Manufacturing	4,550	3,900	4,100	650	450
Seafood Processing	3,300	2,600	2,850	700	450
Service-producing	20,150	19,350	20,000	800	150
Transportation	2,250	2,200	2,150	50	100
Trade	5,000	4,700	4,900	300	100
Wholesale Trade	650	600	600	50	50
Retail Trade	4,350	4,100	4,300	250	50
Finance-Ins. & Real Estate	600	650	700	-50	-100
Services & Misc.	5,600	5,100	5,450	500	150
Government	6,700	6,700	6,800	0	-100
Federal	650	600	700	50	-50
State	1,700	1,750	1,750	-50	-50
Local	4,350	4,350	4,350	0	0

Interior Region

	p/ 5/95	r/ 4/95	5/94	Changes from: 4/95	Changes from: 5/94
Total Nonag. Wage & Salary	36,250	34,400	35,650	1,850	600
Goods-producing	3,050	2,550	3,000	500	50
Mining	750	650	800	100	-50
Construction	1,650	1,300	1,550	350	100
Manufacturing	650	600	650	50	0
Service-producing	33,200	31,850	32,650	1,350	550
Transportation	2,750	2,600	2,750	150	0
Trade	8,000	7,250	7,950	750	50
Finance-Ins. & Real Estate	1,100	1,100	1,100	0	0
Services & Misc.	8,100	7,750	8,000	350	100
Government	13,250	13,150	12,850	100	400
Federal	3,700	3,600	3,750	100	-50
State	4,850	4,950	4,500	-100	350
Local	4,700	4,600	4,600	100	100

Fairbanks North Star Borough

Total Nonag. Wage & Salary	31,250	30,100	30,900	1,150	350
Goods-producing	2,700	2,250	2,650	450	50
Mining	600	550	650	50	-50
Construction	1,500	1,150	1,450	350	50
Manufacturing	600	550	550	50	50
Service-producing	28,550	27,850	28,250	700	300
Transportation	2,250	2,150	2,150	100	100
Trucking & Warehousing	550	450	500	100	50
Air Transportation	600	650	550	-50	50
Communications	250	250	250	0	0
Trade	7,400	6,800	7,400	600	0
Wholesale Trade	800	800	750	0	50
Retail Trade	6,600	6,000	6,650	600	-50
Gen. Merch. & Apparel	1,250	1,200	1,250	50	0
Food Stores	700	750	750	-50	-50
Eating & Drinking Places	2,750	2,200	2,800	550	-50
Finance-Ins. & Real Estate	1,050	1,050	1,050	0	0
Services & Misc.	7,300	7,100	7,300	200	0
Government	10,550	10,750	10,350	-200	200
Federal	3,050	3,000	3,100	50	-50
State	4,400	4,700	4,200	-300	200
Local	3,100	3,050	3,050	50	50

Southwest Region

Total Nonag. Wage & Salary	16,700	17,350	16,150	-650	550
Goods-producing	4,750	5,650	4,400	-900	350
Seafood Processing	4,450	5,350	4,000	-900	450
Service-producing	11,950	11,700	11,750	250	200
Government	5,900	5,850	5,900	50	0
Federal	850	800	900	50	-50
State	500	500	500	0	0
Local	4,550	4,550	4,500	0	50

Northern Region

Total Nonag. Wage & Salary	14,750	14,800	15,150	-50	-400
Goods-producing	5,000	4,950	5,850	50	-850
Mining	4,300	4,300	5,050	0	-750
Service-producing	9,750	9,850	9,300	-100	450
Government	4,950	4,900	4,550	50	400
Federal	250	250	200	0	50
State	350	300	350	50	0
Local	4,350	4,350	4,000	0	350

MarkAir's departure from Alaska has caused significant losses from Anchorage's job count though the full impact of the layoffs may not be felt until the summer's end. Seasonal expansion and other carriers picking up the slack left by MarkAir helped mitigate the job losses. But with MarkAir's Alaska operation folding, the state lost its only Alaska-headquartered national carrier.

The pluses in Anchorage labor market remained the trade, services, and construction industries. Some trade and services expansion is visitor industry related but the growth is also being spurred by local companies adding new business sites. Construction industries have added 300 workers since last year. Road construction, the school district's capital projects, and continuing phases of last year's construction projects are providing for another solid building season in Anchorage.

Summer fishing start on a positive note

Statewide, fish processing employment counts are up 1,000 compared to last year. In May some ground fisheries, but mainly the herring harvest, bolstered employment counts. This year, herring fishers found large schools of top quality fish (herring with roe content above 10 percent) in most areas. Premium prices contributed to a total harvest value exceeding $40 million despite the closure of the herring grounds of Prince William Sound for a third year.

Many Alaskan fishers were preparing for the upcoming salmon season. May's Copper River sockeye harvest kicked off with prices above $2.00 per pound. The Copper River sockeye price is usually an indicator of what fishers can expect during the Bristol Bay sockeye fishery, where some 70 percent of the state's sockeye catch is harvested. This initial price gave Bristol Bay fishers reason for optimism.

Table • 4

Unemployment Rates by Region & Census Area

	Percent Unemployed		
Not Seasonally Adjusted	**p/ 5/95**	**r/ 4/95**	**5/94**
United States	5.5	5.6	5.9
Alaska Statewide	6.8	7.2	8.5
Anch./Mat-su Region	5.8	6.0	7.1
Municipality of Anchorage	5.2	5.3	6.3
MatSu Borough	9.0	9.7	11.3
Gulf Coast Region	10.6	11.2	14.3
Kenai Peninsula Bor.	10.3	12.5	12.2
Kodiak Island Borough	12.9	8.5	22.4
Valdez-Cordova	8.5	9.8	9.7
Interior Region	7.4	8.4	9.3
Denali Borough	6.3	9.8	7.2
Fairbanks North Star Bor.	6.8	7.8	8.7
Southeast Fairbanks	9.5	12.9	13.5
Yukon-Koyukuk	15.8	13.1	16.5
Northern Region	10.4	9.4	11.4
Nome	12.5	12.4	13.5
North Slope Borough	3.1	2.0	4.0
Northwest Arctic Bor.	16.9	14.9	18.4
Southeast Region	6.1	7.0	7.8
Haines Borough	7.3	11.8	8.1
Juneau Borough	4.8	5.3	5.8
Ketchikan Gateway Bor.	5.8	7.4	8.5
Pr. of Wales-Outer Ketch.	10.4	9.3	11.5
Sitka Borough	5.3	4.6	11.1
Skagway-Hoonah-Angoon	7.7	11.0	8.2
Wrangell-Petersburg	8.5	10.9	7.3
Yakutat Borough	7.9	12.1	15.3
Southwest Region	7.0	6.1	8.5
Aleutians East Borough	3.9	3.5	8.1
Aleutians West	2.0	1.4	2.6
Bethel	10.4	9.5	11.4
Bristol Bay Borough	4.9	4.0	2.9
Dillingham	6.1	7.1	9.5
Lake & Peninsula Bor.	7.7	7.9	7.8
Wade Hampton	13.5	9.0	14.8
Seasonally Adjusted			
United States	5.7	5.8	6.0
Alaska Statewide	6.4	6.7	8.3

p/ denotes preliminary estimates r/ denotes revised estimates
Benchmark: March 1994

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

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

Summary

While Alaska's job count grew slowly in May, unemployment counts dipped to the lowest level since 1990. In spite of the improved unemployment numbers, job growth in most regions has been sluggish. This is especially true in Anchorage, where layoffs are retarding job growth.

While seafood processing employment fell from April to May, Alaska's coastal regions posted employment gains in that industry compared to last year. Most areas of the state also benefitted from an expanding retail sector and an upbeat visitor industry. The Interior region's busy construction sector was another sign that the state's employment scene was heating up.

Alaska Employment Service

Anchorage: Phone 269-4800

Bethel: Phone 543-2210

Dillingham: Phone 842-5579

Eagle River: Phone 694-6904/07

Mat-Su: Phone 376-2407/08

Fairbanks: Phone 451-2871

Glennallen: Phone 822-3350

Kotzebue: Phone 442-3280

Nome: Phone 443-2626/2460

Tok: Phone 883-5629

Valdez: Phone 835-4910

Kenai: Phone 283-4304/4377/4319

Homer: Phone 235-7791

Kodiak: Phone 486-3105

Seward: Phone 224-5276

Juneau: Phone 465-4562

Petersburg: Phone 772-3791

Sitka: Phone 747-3347/3423/6921

Ketchikan: Phone 225-3181/82/83

Alaska Economic Regions

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