



ALASKA ECONOMIC **TRENDS**

DECEMBER 2017

10 POSSIBLE REASONS UNEMPLOYMENT INSURANCE CLAIMS ARE LOW

Alaska's unemployment insurance system

A decade of broad wage growth

Population fundamentals

ALASKA ECONOMIC TRENDS

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Major apprenticeship expansion over the last year



Heidi Drygas
Commissioner

This has been an incredible year for expansion of apprenticeship in Alaska. From health care to maritime to aviation, Alaska employers have created more than 250 new apprenticeships. Whether you live in Barrow or Ketchikan, Bethel or Anchorage, there are new apprenticeship opportunities in your backyard.

To celebrate this success and continue expanding apprenticeships, our department will host the annual Registered Apprenticeship Roundtable at the Alaska Native Tribal Health Consortium in Anchorage on Dec. 14 and 15. If you're an employer who is considering starting or expanding an apprenticeship program, please join us. (Email commissioner.labor@alaska.gov and we'll send you the link to RSVP.)

Here are some of the exciting new apprenticeship programs we have worked on over the past year:

- The Alaska Primary Care Association has enrolled more than 120 apprentices in community health worker, biller coder specialist, medical office assistant, and clinical medical assistant training programs. In the first cohort of participants, 99 percent passed their final certification tests.
- The Alaska Native Tribal Health Consortium started an innovative new behavioral health aide apprenticeship for regional tribal health providers, which includes college credit.
- The Alaska Air Carriers Association has enrolled its first air frame and power plant mechanics pilots in its statewide aviation apprenticeship program.
- Calista Corporation and Vigor started new maritime apprenticeship programs, which include training for deckhands and welders.

- Lower Kuskokwim School District has enrolled 33 Yup'ik language speakers in its associate teacher apprenticeship program, which is strengthening elementary education and promoting language preservation in the Yukon-Kuskokwim Delta.
- Each of the Alaska Pioneer Homes has apprentices working in long term care, and the apprenticeship significantly expands training for dementia care.
- Ilisagvik College, Alaska Pacific University, and the University of Alaska Anchorage are incorporating apprenticeship into their programs so students can earn, learn, and progress toward a college degree.

Keep in mind that all of these programs are in addition to our longstanding, gold-standard apprenticeship programs in the building trades and other traditional industries. Think about how much we can accomplish next year if we keep expanding apprenticeship at this pace.

Alaska has the most equitable distribution of income in America, and that is something to be proud of. We have a strong middle class rather than extreme inequality. Apprenticeship is an important part of our economic success story, because it ensures hard-working Alaskans can enter and remain in the middle class.

Apprenticeship also helps keep our businesses competitive, because it improves worker productivity and reduces costs associated with turnover.

I greatly appreciate the work that employers, employer associations, the U.S. Department of Labor, partner training institutions, and our own department staff have put into expanding apprenticeship. Let's keep the momentum going in 2018.



Follow the Alaska Department of Labor and Workforce Development on Facebook ([facebook.com/alaskalabor](https://www.facebook.com/alaskalabor)) and Twitter (twitter.com/alaskalabor) for the latest news about jobs, workplace safety, and workforce development.

10 POSSIBLE REASONS UNEMPLOYMENT CLAIMS ARE LOW

Why unemployment insurance claims don't reflect state recession

By **TIFFANY WADEL**

It's no secret that the state is in a recession. Alaska has been losing jobs since the fourth quarter of 2015 (see Exhibit 1), and total and average wages have both declined.

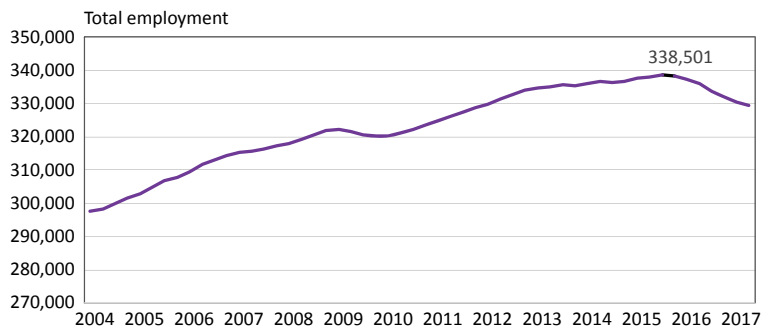
At the same time, Alaska's unemployment rate has slowly increased from a low of 6.4 percent in mid-2015 to 7.2 percent in October 2017. (See Exhibit 2.) This triggered extended benefits for unemployment insurance, effective as of November. EB allows for up to an additional 13 weeks of benefits on top of the regular allowed maximum of 26 weeks.

When employment decreases and the unemployment rate rises, claims for unemployment insurance benefits typically increase — but Alaska's claims have

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Job Loss Began in Late 2015

ALASKA, 4-QUARTER MOVING AVERAGE, 2004 TO 2017



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

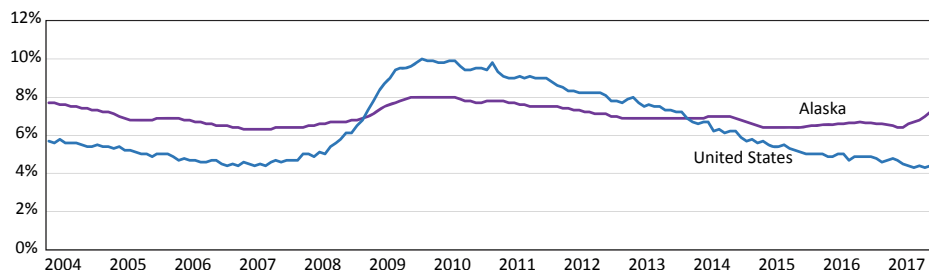
fallen to historic lows.

Exhibit 3 shows the insured unemployment rate — a measure of how many people are claiming benefits adjusted for the number of people covered by the

2

Alaska Unemployment On The Rise

ALASKA AND THE U.S., 2004 TO 2017



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

program — from 1981 until now. Since the fourth week of 2017, the IUR has been at a record-setting low compared to the same week in any prior year. This means the fewest people ever are receiving unemployment benefits, when adjusted for the size of the covered workforce.

Why is it that during this recession, unemployment insurance claims don't reflect the changes in the economy from job losses, declining wages, and an increasing unemployment rate? While the answer is speculative, the following 10 reasons are likely factors in why UI claims are not on the rise.

Job loss among those with more than one job

Job losses could be among people who held multiple jobs but only lost one job. Although these people lost a job, they're still employed so they can't collect unemployment benefits.

Because employment figures reflect the number of jobs and not the number of workers, this would show up as a decline in employment but wouldn't materialize as an increase in the unemployment rate or claims.

An increase in retirements as the workforce ages

Job losses could be from retirements. When a worker retires but the position isn't filled, that creates both a lost job and a decline in total wages but no associated rise in unemployment or claims because retired people by definition are not unemployed.

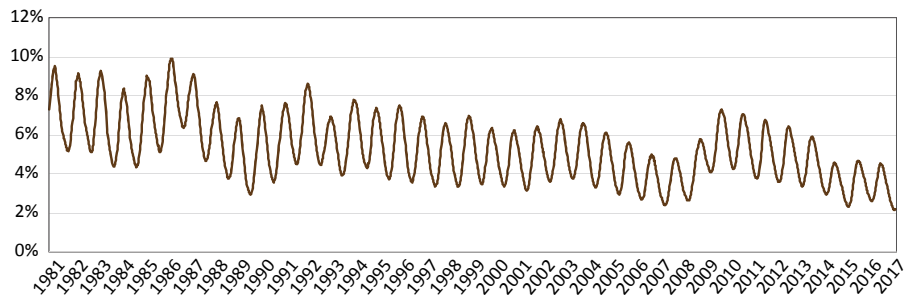
Retirements prompt a decline in the labor force participation rate, however, which is the percentage of the population that is working or looking for work. (See Exhibit 4.) Alaska's labor force participation rate has been declining since 2008, from 67.91 percent to 63.15 percent. This decline is in line with an aging population and the large cohort of baby boomers reaching retirement age in recent years.

Finding a new position outside Alaska quickly

Some workers may have left the state when they lost

3 Eligible People Filing At a New Low

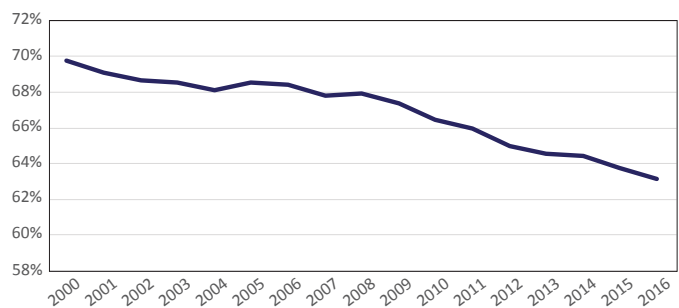
ALASKA INSURED UNEMPLOYMENT RATE, 1981 TO 2017



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

4 Labor Force Participation

ALASKA RATE, AGES 16+, 2000 TO 2016



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

their jobs and quickly found work elsewhere, never needing to file for benefits. The Lower 48 has a comparatively healthy job market right now, and this is especially true for workers in the oil and gas and construction industries, which have been hit hardest in Alaska's recession.

Whether these people found work quickly or not, they wouldn't increase the IUR because they're no longer living in Alaska. But if workers were leaving the state and applying for benefits in Alaska while looking for jobs in other states, out-of-state claims would increase, and that hasn't happened. Exhibit 5 shows the 12-month moving average percentage of UI claims attributed to out-of-state claimants, which has steadily decreased since 2015.

More people leaving Alaska to take or look for jobs elsewhere would show up as negative net migration — more people leaving the state than moving in — but whether the recession has prompted more people

to leave isn't yet clear.

While natural increase has kept the overall population growing in recent years, Alaska's net migration has been negative for at least the past four years, which predates the state's recession.

Exhausting benefits but still unemployed

If unemployed workers collect benefits but exhaust all available weeks and haven't yet found a job, they can no longer collect benefits even if they're still unemployed. These people would still show up in the unemployment rate if they continued looking for work.

If people continue to file after exhausting their allowance, that shows up as increases in the both the number of claimants denied benefits due to insufficient wages and in "final" payments, which are the last allotted benefit check — but both of these have been declining. (See exhibits 6 and 7.)

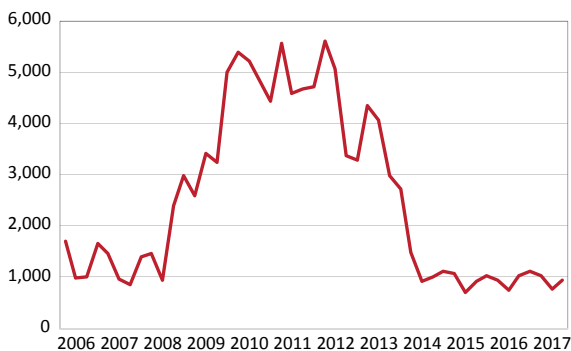
When employers decide to hire fewer people

Employers may be hiring fewer workers than they did in previous seasons. This would show up as a decline in employment and total wages, but wouldn't increase claims or unemployment.

If employers hire fewer workers at the beginning of a season, fewer people have eligible wages at the end of the season.

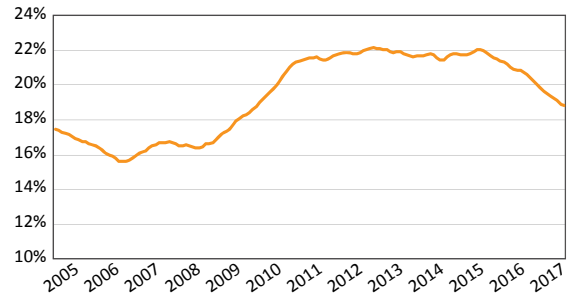
6 Fewer Claims Denied Due to Insufficient Wages

ALASKA RATE, 2006 TO 2017



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

5 Fewer Out-of-State Claims AS A PERCENTAGE OF ALL CLAIMS, 2005-17



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

Keeping current position during economic uncertainty

In a healthy economy, people often have the confidence to quit a job without having another lined up because they believe they'll be able to find work quickly. This is one reason the unemployment rate can actually go up during an economic boom.

During economic downturns, workers are less likely to leave a job voluntarily without having another lined up. If people in Alaska were staying put in their current positions because of the recession, this would lead to a lower unemployment rate and fewer unemployment insurance claims.

Taking the first job offer, even if it's not ideal

Similarly, people who lose their job may jump into the first job they find, even if the new job is lower paying or a poor fit. This is especially true if unemployed workers don't want to move out of their current area.

In a healthy economy, unemployed people will often keep looking for work until they find a job that pays about the same or more than the job they lost and is the same kind of work. In fact, that's one purpose of the unemployment insurance system; it helps the unemployed get by longer so they can find a job locally that matches their skills. So if workers were taking less-than-ideal positions because jobs are harder to come by, that would reduce both the unemployment rate and unemployment insurance claims.

Deciding the amount is not worth the effort

If workers think the process of filing for benefits is

too onerous relative to the weekly benefit they'd receive, fewer might consider it worthwhile to file claims. The application requires multiple pieces of claimant information and past work history, and most claimants are required to document two work search attempts each week. Some are also required to go to a job center for reemployment services.

Benefit amounts range from \$56 to \$370 a week, not including additional amounts for dependents. The maximum benefit amount increased in 2009, from \$248 to \$370, but since then the weekly wage replacement rate has fallen from replacing 41.8 percent of an average worker's earnings to just 36.7 percent. This puts Alaska's wage replacement rate in last place among states.

Exhibit 8 shows the weekly wage replacement rate for a worker making the average annual wage, which was \$52,452 in 2016.

Unaware benefits available or that they may qualify

Some workers may not know benefits are available, and even if they know about the program, they may not realize they can qualify for reasons other than being laid off. Low recognition of the program would materialize in the form of lower unemployment claims but a higher unemployment rate.

Alaska has some of the most inclusive qualification standards in the United States. Unlike many states, Alaska workers who quit, were fired, or were employed less than full-time can qualify for benefits, with some restrictions and waiting periods.

A perceived stigma about filing for benefits

Although the program is insurance and a worker can't collect benefits without having paid in, the misperception remains that drawing benefits is "welfare." Some may choose not to file because they believe it has a negative connotation.

As with low program recognition, discomfort with filing would lead to a higher unemployment rate but lower claims.

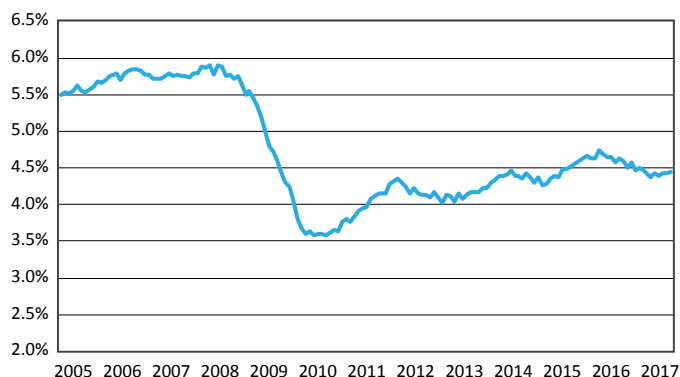
Fewer claims a long-term U.S. trend

While these 10 reasons are sure factors in historic

7

Percent of Benefit Checks That Are Final Payments

ALASKA, 2005 TO 2017



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

8

Wage Replacement Rate

WEEKLY, ALASKA, 2004 TO 2016



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

low claims, it's difficult to quantify the effect of each. That's further complicated by the fact that these reasons can have different and sometimes opposing effects on the various rates. There may also be other factors we don't yet know about.

It's important to note, though, that this trend of apparently low usage of the program is not unique to Alaska. The rate at which those eligible for the program actually use it is on the decline in almost every other state, and has been for decades.

Tiffany Wadel is an economist in Juneau. Reach her at (907) 465-4520 or tiffany.wadel@alaska.gov.

ALASKA's unemployment insurance

How the UI program performed in 2016

By **LENNON WELLER**

The unemployment insurance system has been in place in the United States for 80 years, created by the Employment Security Act of 1937 to replace lost wages while those who are unemployed look for work. While the act mandated the program's implementation and some elements are federally required, the system was largely left up to states to administer as they saw fit.

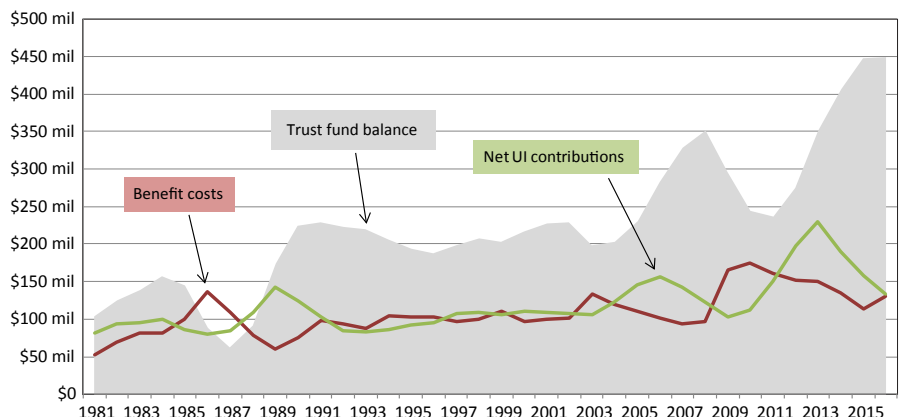
Each state's UI program differs by eligibility requirements, benefit amounts, and system financing. Alaska's system is unique in that it is self-adjusting, unlike some other states where policymakers can set tax rates.

Alaska's program is set up to keep the UI trust fund's reserve within a certain target range — enough to pay out 3.0 percent to 3.3 percent of all covered wages in the state in the event of an economic downturn — and tax rates adjust each year to maintain that solvency.

To help monitor the UI system's performance, the Department of Labor and Workforce Development re-

1 Fund Balance, Costs, and Contributions

ALASKA UNEMPLOYMENT INSURANCE, 1981 TO 2016



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

leases a comprehensive report each year, and the following is a brief overview of the 2016 report's findings. For more data and in-depth explanations of how the system works, please see the full report at http://live.laborstats.alaska.gov/uiprog/UI_Actuarial_Study.pdf.

Benefit payments and revenue

In 2016, Alaska disbursed \$177.8 million in unemployment compensation payments, of which \$130.6 million was chargeable to the trust fund for tax calculation purposes. These payments were up by \$18.1 million

from the \$159.7 million disbursed in 2015 (\$112.9 million in chargeable costs). In the same year, employers and employees contributed a combined \$133.3 million in UI taxes.

At the end of 2016, the trust fund had \$449.17 million in reserves, an increase of roughly \$892,000 from 2015. (See Exhibit 1.) The trust fund also earned \$9.95 million in interest, which is deducted from annual benefit costs to offset contribution rates.

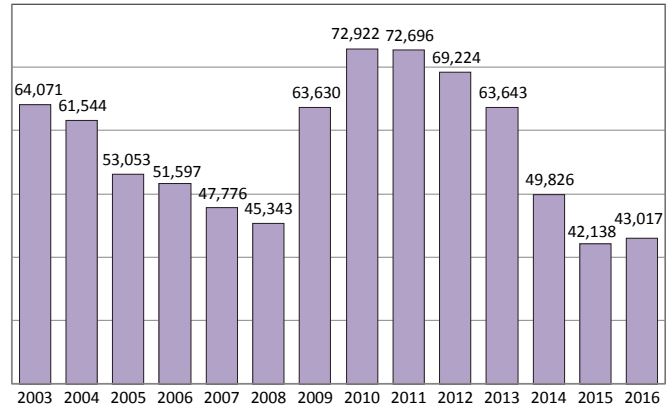
Yearly tax rates and how they are calculated

The objective of UI financing is to both recapture costs and maintain a balance adequate to handle temporary shocks. Cost recapture is achieved through calculation of an average benefit cost rate, or ABCR. The ABCR reflects benefits paid as a percentage of total covered wages over a three-year period, and that becomes the base for the following year's tax rates.

If at tax time the trust fund balance falls within the target range of 3.0 to 3.3 percent of covered wages, no additional adjustment is necessary. If the fund falls outside of that range, the final rate will include an additional solvency adjustment as either a surcharge or a credit. If the adjustment is a surcharge, the increase can be no more than three-tenths of a percentage point per year.

In 2016, the average combined total tax rate was 1.78 percent (0.50 percent for employees and 1.28 per-

2 Number of Claimants* ALASKA UI, 2003 TO 2016



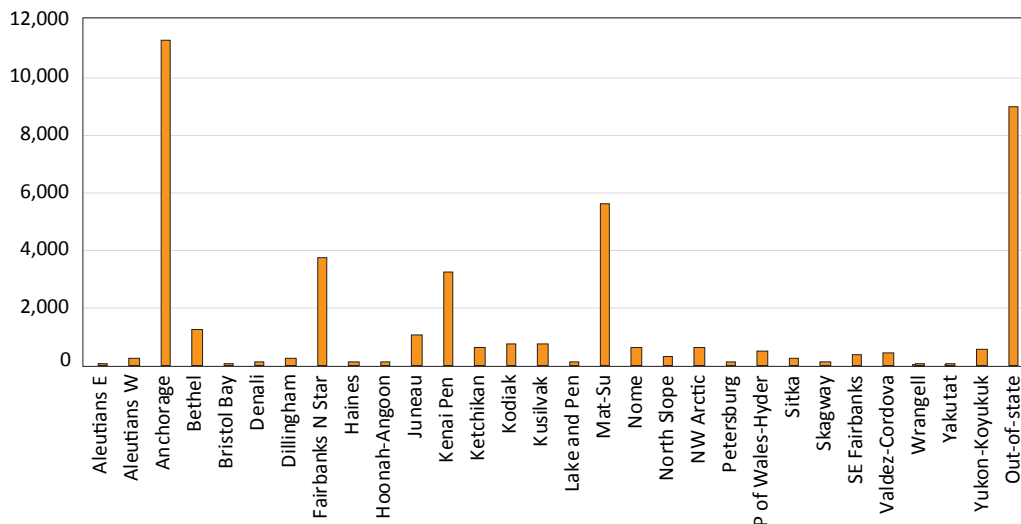
*All claimants who received at least one week of benefits during the year
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

cent for employers) assessed on taxable wages (up to \$39,700 in 2016). Because the trust fund balance was slightly above the targeted range, the final rate combined an ABCR of 1.85 percent with a solvency credit of 0.07 percent.

Claimants by industry and area

In 2016, 43,017 claimants filed for and collected at least one week of UI benefits, up from 42,138 claim-

3 Unemployment Insurance Claimants by Area ALASKA, 2016



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

ants the year before. (See Exhibit 2.)

From an industry perspective, the largest share come from the heavily seasonal construction and food products manufacturing sectors. Those two industries made up 17.2 percent and 11.6 percent of all claimants respectively and they accounted for nearly 30 percent of all filers.

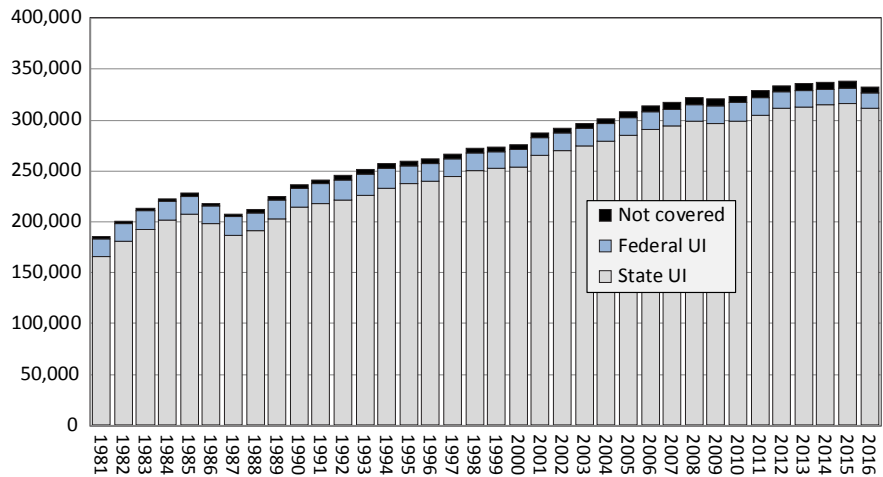
The next highest was trade, with about 9.5 percent of claimants. The oil and gas industry also had a large number of claimants in 2016 due to layoffs.

By area, Alaska has a significant number of claimants who earned wages in the state but filed from elsewhere. In 2016, 20.9 percent of filers were outside Alaska (8,983).

Of the remaining 34,034 people who filed from within Alaska, 49.7 percent filed from the Anchorage/Matanuska-Susitna Region (16,919). (See Exhibit 3.)

4 Employment by Type of Coverage

ALASKA, 1981 TO 2016



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

Almost all workers are covered

The state and federal unemployment insurance programs in Alaska covered 98.2 percent of all wage and salary jobs in 2016 (326,280). State programs covered 93.7 percent, and federal programs covered 4.6 percent.

The state system's covered average monthly employment, which excludes federal jobs, declined by 5,668 — or 1.8 percent — over the year, from 316,758 jobs to 311,090. This was the largest over-the-year employment decline since 1987. (See Exhibit 4.)

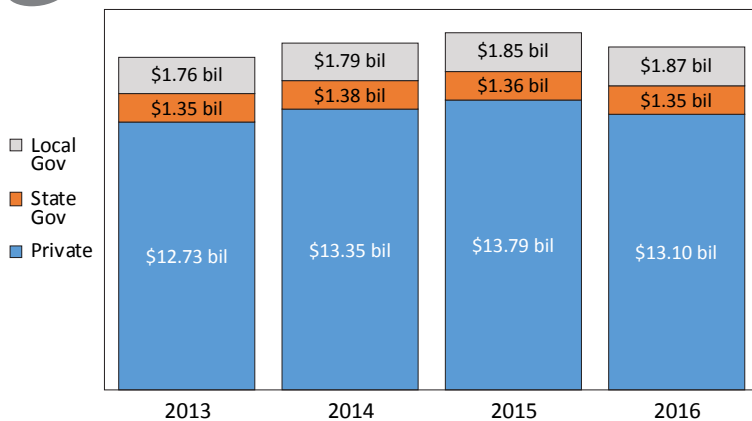
Wages for those covered jobs declined by \$690.9 million (-4.1 percent) in 2016, to just over \$16.3 billion.

Of the total decline, \$694.4 million came from private industries, mostly oil and gas (-\$468 million). State government wages declined by \$12.2 million. Wages in local government, which includes tribal government and public schools, grew by \$15.7 million. (See Exhibit 5.)

Meanwhile, wages subject to UI taxation (a subset of covered wages) declined by \$171.5 million, or 2.14 percent.

5 Covered Wages by Type

ALASKA UI, 2013 TO 2016



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

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Decade of Broad Wage Growth

Inflation-adjusted wages went up in most of the state

By **NEAL FRIED**

Inflation-adjusted wages increased across nearly all of Alaska over the past decade. Between 2006 and 2016, average adjusted wages grew by 5 percent statewide, or \$2,370.

These gains were broad, with 21 of the 24 measured areas making real wage gains. Growth varied from 39 percent for the Aleutians East Borough to 1 percent for the Yukon-Koyukuk Census Area. Three of the five areas with double-digit gains have significant employment in seafood processing.

Yakutat and Kodiak lost a small amount of ground, and wages in the Lake and Peninsula Borough were flat.

Average annual wages by area are nearly as wide-ranging as they are by industry, and an area's industry mix is the main reason wages vary so much across the state.

An extreme example is the North Slope Borough with its high average earnings — nearly twice the statewide average — because of its large share of oil and gas em-

Continued on page 18

1 Average Adjusted Wages by Area

ALASKA, 2006 AND 2016, IN 2016 DOLLARS*

Area**	2006	2016	Change	Percent change
Alaska	\$50,790	\$53,160	\$2,370	5%
Aleutians East Borough	\$36,489	\$50,772	\$14,283	39%
Aleutians West Census Area	\$46,013	\$55,896	\$9,883	21%
Anchorage, Municipality	\$54,078	\$55,668	\$1,590	3%
Bethel Census Area	\$37,860	\$40,452	\$2,592	7%
Bristol Bay Borough	\$46,544	\$51,624	\$5,080	11%
Denali Borough	\$41,812	\$44,268	\$2,456	6%
Dillingham Census Area	\$38,966	\$42,456	\$3,490	9%
Fairbanks North Star Borough	\$49,581	\$50,508	\$927	2%
Haines Borough	\$34,602	\$35,748	\$1,146	3%
Juneau, City and Borough	\$47,915	\$51,012	\$3,097	6%
Kenai Peninsula Borough	\$44,200	\$46,908	\$2,708	6%
Ketchikan Gateway Borough	\$44,126	\$45,264	\$1,138	3%
Kodiak Island Borough	\$43,138	\$42,480	-\$658	-2%
Kusilvak Census Area	\$24,931	\$26,100	\$1,169	5%
Lake and Peninsula Borough	\$36,681	\$36,696	\$15	0%
Matanuska-Susitna Borough	\$39,954	\$41,808	\$1,854	5%
Nome Census Area	\$40,411	\$47,376	\$6,965	17%
North Slope Borough	\$90,464	\$96,324	\$5,860	6%
Northwest Arctic Borough	\$53,488	\$64,464	\$10,976	21%
Sitka, City and Borough	\$41,369	\$43,392	\$2,023	5%
Southeast Fairbanks Census Area	\$62,644	\$64,332	\$1,688	3%
Valdez-Cordova Census Area	\$52,279	\$53,160	\$881	2%
Yakutat, City and Borough	\$40,087	\$39,540	-\$547	-1%
Yukon-Koyukuk Census Area	\$38,317	\$38,748	\$431	1%

*Inflation adjustments based on the Anchorage Consumer Price Index for All Consumers (CPI-U)

**No data exist for some areas because of changes to geographic boundaries over this decade: Hoonah-Angoon, Petersburg Borough, Prince of Wales-Hyder Census Area, Municipality of Skagway, and City and Borough of Wrangell.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Quarterly Census of Employment and Wages

POPULATION fundamentals

Growth has been a default for this young, military-dependent state

By **SARA WHITNEY** and **LIZ BROOKS**

Alaska is the third least-populous state in the U.S., with only Vermont and Wyoming having fewer people. The state has grown considerably in a short time, however, from just 55,036 people in the territory in 1920 to 739,828 in 2016.

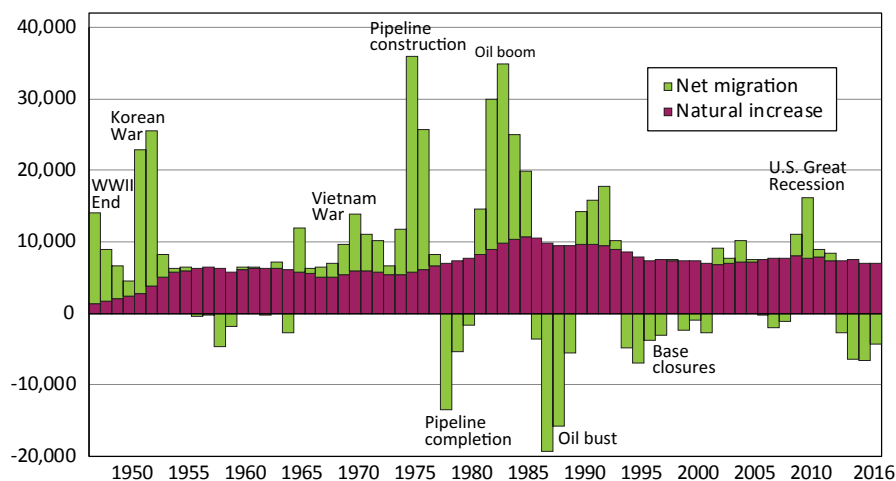
This article is a brief overview of Alaska's population and its patterns, available in detail in our *2016 Population Overview* at <http://live.laborstats.alaska.gov/pop/popestpub.cfm>. New population estimates for 2017 will be available in January 2018.

Alaska grew in all years since statehood except for three

Growth has long been the state's default, and its periods of loss have been brief. Alaska's total population grew in all but three of the 57 years since statehood in 1959: one year of loss came in the late 1970s after the Trans-Alaska Pipeline was completed, and two were in the late 1980s after the crash in oil prices.

Alaska has large yearly migration flows both in and out. Most interstate movers are young adults, which is also true nationally, and about a fifth of movers are tied to

1 Alaska's Historical Population Changes NATURAL INCREASE AND NET MIGRATION, 1946 TO 2016



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

the military. These flows are a constant for Alaska regardless of economic conditions.

But that doesn't mean the number moving in is always greater than the number who leave. In more than a third of the years since statehood — 23 — Alaska lost more people through net migration than it gained. In all but those three years of overall loss, natural increase — births minus deaths — more than made up the difference. Natural increase hit a high of 10,700 in 1985, and has since declined to about 7,000 per year.

Alaska is the third-youngest state

Alaska was the third-youngest state in 2016, with a median age of 34.7. Only Utah and Texas were younger, at 30.8 and 34.5, respectively. For comparison, the national median was 37.9 years.

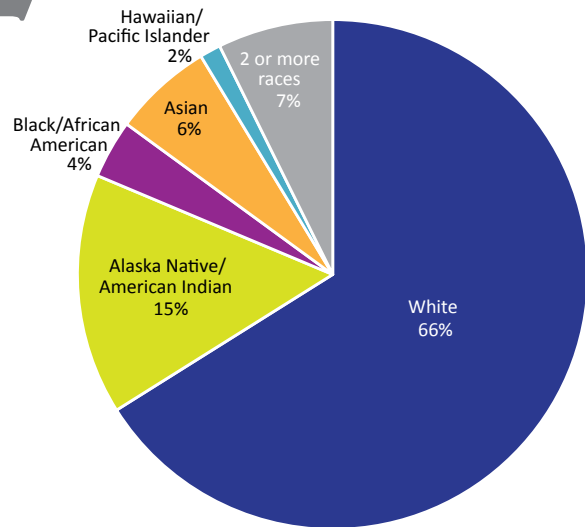
Alaska's age structure is changing rapidly, however. The rate at which the state's senior population is growing is among the fastest in the nation as the state's large cohort of baby boomers ages. The number of Alaskans age 65 or older more than doubled between 2000 and 2016.

Largest percent Native among states

Alaska's rural areas are particularly young overall, with a median age as low as 23.7 in the Kuskilvak Census Area in Western Alaska. Many of these areas' populations are majority Alaska Native; Kuskilvak, for example, is nearly 95 percent Native.

Statewide, two-third of Alaskans are white and 15 percent are Alaska Native (see Exhibit 2), which is the highest proportion Alaska Native/American Indian in

2 Alaskans by Race 2016



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

the nation. The share grows to 20 percent when including those who are Native in combination with another race. Historically, though, the territory was entirely Alaska Native and as late as 1929, they made up more than half of the population.

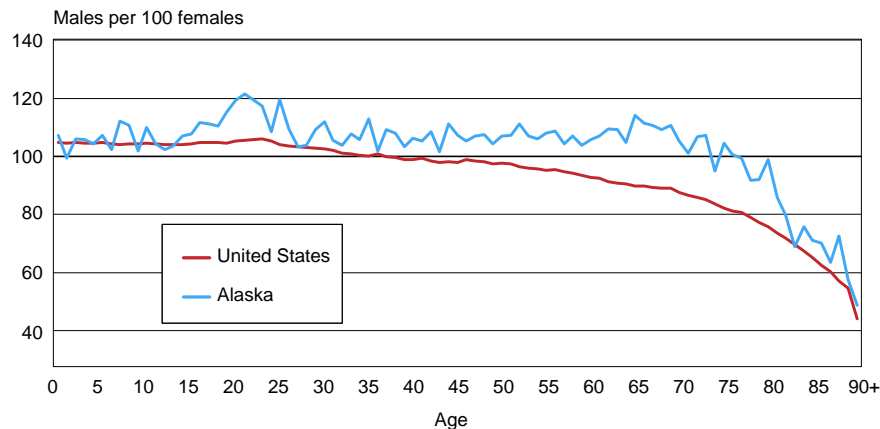
107 males for every 100 females

The long-held perception that Alaska has a higher percentage of men than women is correct, although not

Continued on page 18

3 Male-to-Female Ratio by Age

ALASKA AND THE UNITED STATES, 2016



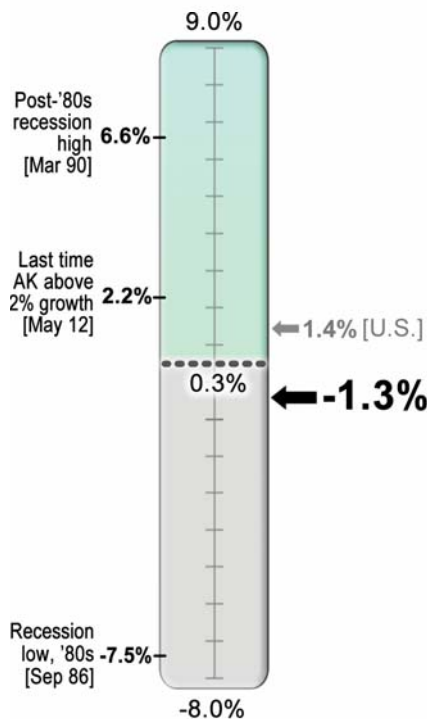
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Census Bureau

Gauging Alaska's Economy



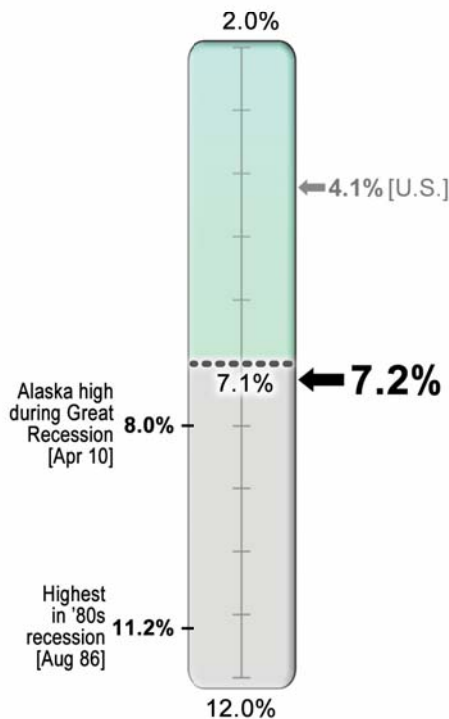
Job Growth

October 2017



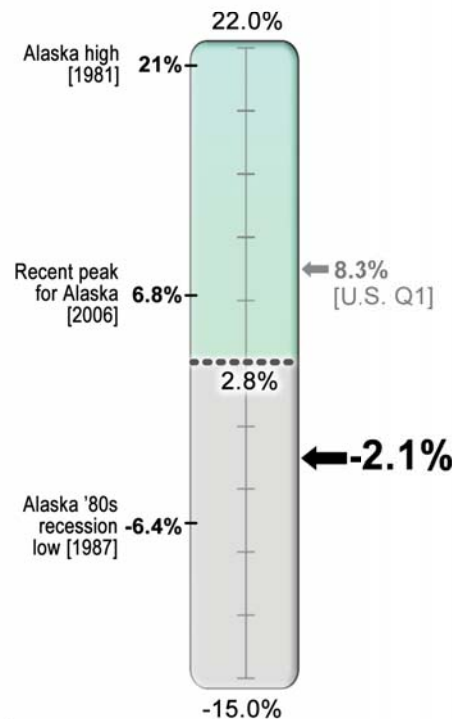
Unemployment Rate

October 2017
Seasonally adjusted



Wage Growth

2nd Quarter 2017*



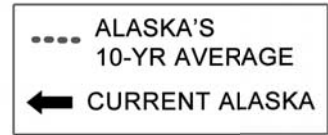
- October was the 25th consecutive month Alaska has recorded job losses.
- Alaska had 25 consecutive months of job losses during the state's 1980s recession, although the magnitude of the losses in the '80s was much larger as a percentage of total jobs.
- Job losses during the current recession were at their worst in September 2016 (-2.6 percent).

- Alaska's unemployment rate is the highest in the nation, but is only one-tenth of a percentage point higher than its 10-year average.
- Unemployment rates are more complicated as an economic indicator than job growth, although most of the time high rates signal economic weakness.
- In the short term, unemployment rates can rise because a state is especially attractive to job seekers (a positive) or fall because people have given up on looking for work (a negative).

- Wage growth or decline is one of the most basic and useful measures of overall economic health.
- After being up slightly in the first quarter, wages fell again in the second quarter compared to year-ago levels.
- Resumed and sustained wage growth, when it occurs, will be a good indicator that the Alaska recession is over.

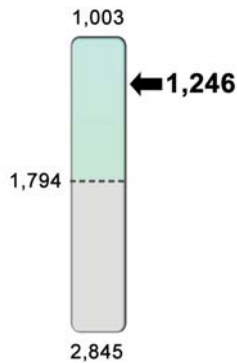
*Four-quarter moving average ending with the specified quarter

Gauging Alaska's Economy



Initial Claims

Unemployment, week ending Nov. 7, 2017[†]

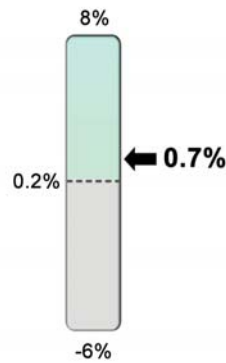


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

[†] Four-week moving average ending with the specified week

GDP Growth

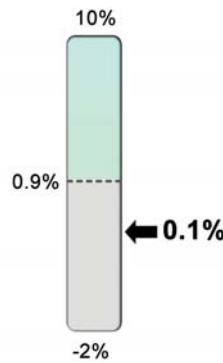
2nd Quarter 2017*



➤ Gross domestic product is the market value of all goods and services produced in Alaska. It's promising for economic recovery that GDP growth is now positive and well above the 10-year average.

Personal Income Growth

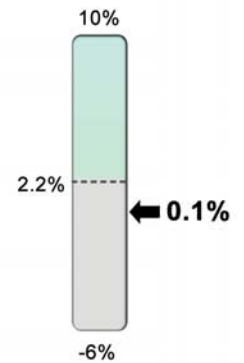
2nd Quarter 2017*



➤ Personal income includes wages as well as government transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. Declines during the current recession have been small so far.

Change in Home Prices

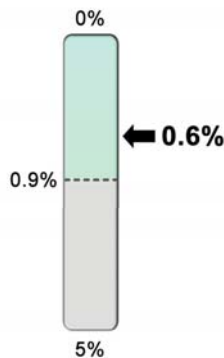
2nd Quarter 2017*



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

Foreclosure Rate

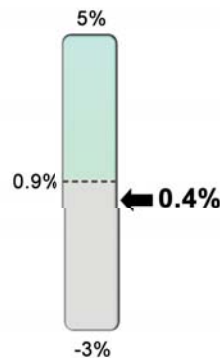
2nd Quarter 2017



➤ Foreclosure rates remain very low, highlighting how different the current recession is from the '80s recession when foreclosure rates exceeded 10 percent.

Population Growth

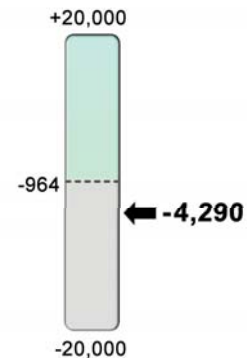
2015 to 2016



➤ The state's population has remained relatively stable despite moderate job losses. Population estimates for 2017 will be released in January 2018.

Net Migration

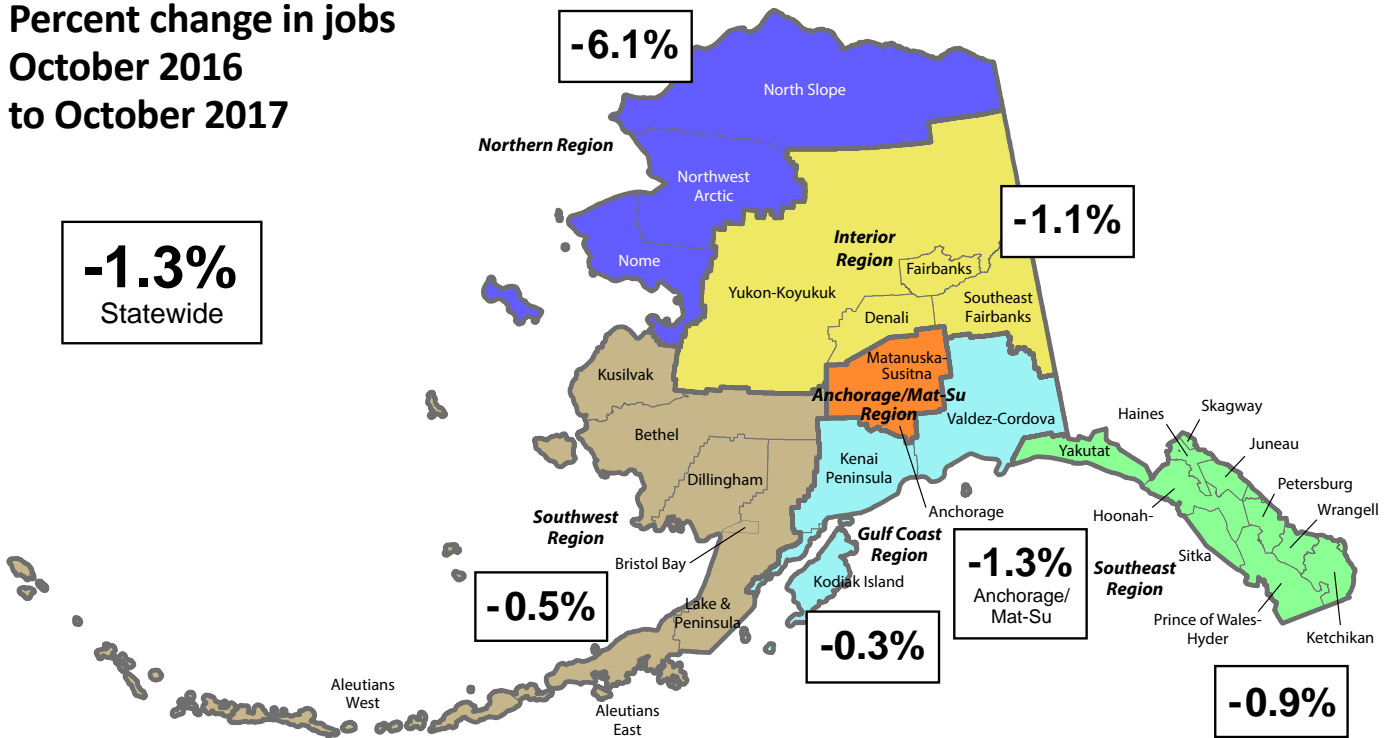
2015 to 2016



➤ More people have left Alaska than have moved here in recent years, but the losses have been relatively small (much smaller than during the 1980s recession).

Employment by Region

Percent change in jobs
October 2016
to October 2017



Unemployment Rates

Seasonally adjusted

	Prelim. 10/17	Revised 9/17	10/16
United States	4.1	4.2	4.8
Alaska, Statewide	7.2	7.2	6.6

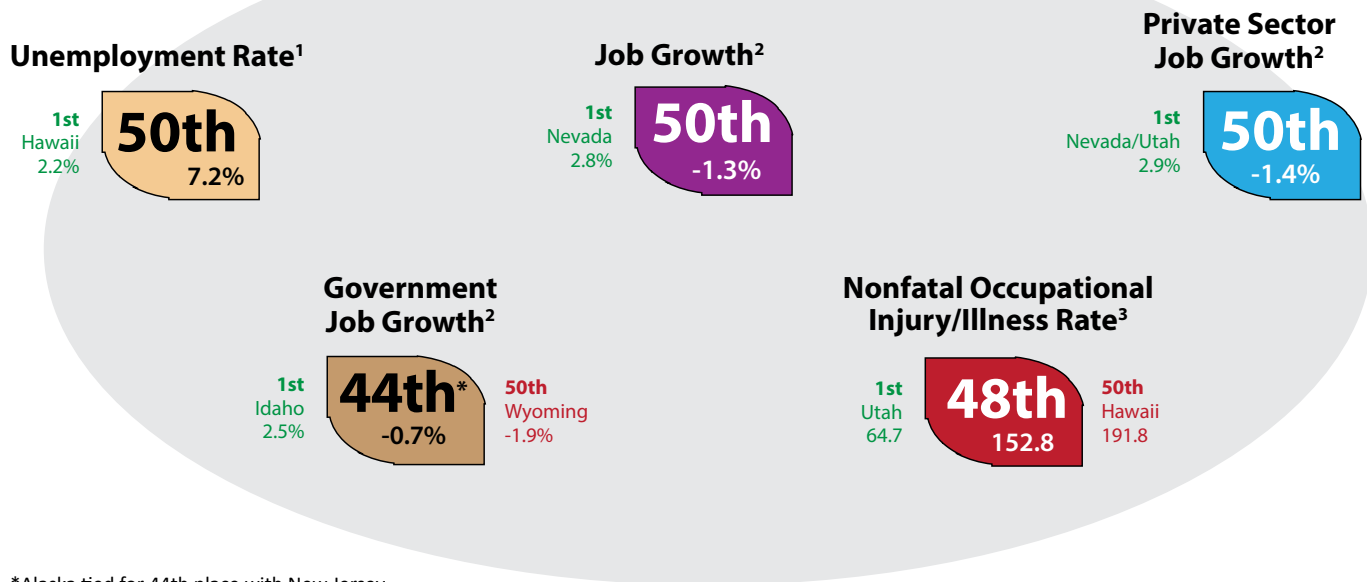
Not seasonally adjusted

	Prelim. 10/17	Revised 9/17	10/16
United States	3.9	4.1	4.7
Alaska, Statewide	6.7	6.6	6.2

Regional, not seasonally adjusted

	Prelim. 10/17	Revised 9/17	10/16		Prelim. 10/17	Revised 9/17	10/16		Prelim. 10/17	Revised 9/17	10/16
Interior Region	6.6	6.3	6.0	Southwest Region	10.5	10.1	10.2	Southeast Region	6.2	5.4	5.6
Denali Borough	10.3	4.1	10.0	Aleutians East Borough	2.6	2.6	2.7	Haines Borough	9.2	6.6	9.4
Fairbanks N Star Borough	5.8	5.8	5.3	Aleutians West Census Area	4.6	4.4	3.6	Hoonah-Angoon Census Area	12.5	7.8	6.1
Southeast Fairbanks Census Area	9.5	8.2	9.0	Bethel Census Area	12.9	13.6	13.0	Juneau, City and Borough	4.7	4.6	4.3
Yukon-Koyukuk Census Area	15.9	15.5	15.1	Bristol Bay Borough	11.1	7.2	9.1	Ketchikan Gateway Borough	6.2	5.1	5.9
Northern Region	11.3	11.8	11.1	Dillingham Census Area	10.1	9.1	10.0	Petersburg Borough	8.0	7.3	7.5
Nome Census Area	11.2	11.8	11.9	Kusilvak Census Area	19.3	17.9	17.5	Prince of Wales-Hyder Census Area	10.8	10.1	10.6
North Slope Borough	7.6	8.1	6.6	Lake and Peninsula Borough	13.1	9.7	10.2	Sitka, City and Borough	4.8	4.4	3.8
Northwest Arctic Borough	16.0	16.6	16.3	Gulf Coast Region	7.4	6.7	7.2	Skagway, Municipality	13.5	3.8	12.4
Anchorage/Mat-Su Region	6.1	6.3	5.6	Kenai Peninsula Borough	7.9	7.3	7.7	Wrangell, City and Borough	7.2	6.6	6.5
Anchorage, Municipality	5.6	5.8	5.1	Kodiak Island Borough	4.8	4.6	4.3	Yakutat, City and Borough	10.0	8.5	6.4
Mat-Su Borough	7.8	7.9	7.4	Valdez-Cordova Census Area	8.2	6.3	8.6				

How Alaska Ranks



*Alaska tied for 44th place with New Jersey.

¹October seasonally adjusted unemployment rates

²October employment, over-the-year percent change

³Injuries or illnesses that resulted in days away from work in 2016, rate per 10,000 workers

All sources are U.S. Bureau of Labor Statistics and Alaska Department of Labor and Workforce Development, Research and Analysis Section, unless otherwise noted.

Other Economic Indicators

	Current		Year ago	Change
Anchorage Consumer Price Index (CPI-U, base yr 1982=100)	218.616	1st half 2017	216.999	+0.75%
Commodity prices				
Crude oil, Alaska North Slope, * per barrel	\$57.55	Oct 2017	\$49.39	+16.54%
Natural gas, residential, per thousand cubic ft	\$18.09	Aug 2017	\$17.60	+2.78%
Gold, per oz. COMEX	\$1,288.70	11/22/2017	\$1,214.10	+6.14%
Silver, per oz. COMEX	\$17.06	11/22/2017	\$16.73	+1.97%
Copper, per lb. COMEX	\$314.50	11/22/2017	\$255.60	+23.04%
Zinc, per MT	\$3,190.00	11/21/2017	\$2,602.00	+22.60%
Lead, per lb.	\$1.12	11/21/2017	\$0.93	+20.43%
Bankruptcies				
	130	Q2 2017	115	+13%
Business	8	Q2 2017	13	-38%
Personal	122	Q2 2017	102	+20%
Unemployment insurance claims				
Initial filings	7,659	Oct 2017	8,438	-9.23%
Continued filings	37,651	Oct 2017	43,833	-14.10%
Claimant count	9,170	Oct 2017	11,647	-21.27%

*Department of Revenue estimate

Sources for pages 14 through 17 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. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

WAGES INCREASE

Continued from page 11

ployment. The North Slope is also an outlier in that most of the oil-related wages paid there go to people who live elsewhere. Unlike income, which is based on where workers live, wages are based on the location of the job, although most places with high average earnings also have high incomes.

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About the data

This data set has a few important limitations. First, while some wage change is a real increase in the amounts paid to workers, a combination of other factors can come into play, such as changes in the overall industry or occupational mix or in hours worked.

This data set also counts jobs, not workers, and it doesn't distinguish between part-time and full-time jobs or include self-employment. And because it's an average and not a median, any extremes would have a disproportionate effect on the average value.

POPULATION

Continued from page 13

nearly to the degree people sometimes expect. The gender disparity has narrowed considerably with time, but still, our ratio of 107 males to every 100 females is the highest in the United States.

At one time, the stereotype that Alaska was mostly men was true. In 1900, during the Gold Rush, Alaska had 259 males for every 100 females. That narrowed to about 162 in 1950, at the beginning of the state's military buildup. The ratio was 113 to 100 by 1980 and it's declined gradually since, bringing Alaska closer to national norms.

Alaska's special mix of industries contributes to the state's relatively large share of men; these include oil, construction, fishing, and the military.

Military especially important

The military's outsized role in the state's economy largely began with the state's geographic importance during World War II. Today, the state has more than 20,000 active duty service members and 30,000 dependents: about 55 percent are Army, 35 percent are Air Force, and 9 percent are Coast Guard.

While the military has a presence around the state, it's an especially large part of the populations in Fairbanks and Kodiak at 19 percent and 17 percent of their respective populations. In terms of numbers, though, Anchorage has the most.

Alaska's veteran population also reflects this historical importance. On a per capita basis, Alaska has more than 1.5 times as many veterans as the U.S. overall.

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Employer Resources

How to interpret a military veteran's resumé

Military veterans' resúmes tend to differ from those of non-veterans. Many former service members include military terms, acronyms, and other references that can be confusing and cause them to be passed over for interviews.

Many veterans have never had to compile their professional experience in a resumé format, so it may be necessary to look closely at the experiences they list to identify specific core competencies and skill sets. Recognizing the need to adjust your recruiting practices will prevent the inadvertent screening-out of veterans who would be an asset to your business. Here are tips for reviewing veterans' job applications:

- The military has more than 7,000 jobs across more than 100 functional areas and the vast majority have a direct civilian equivalent. The online tool O*Net (<https://www.onetonline.org/crosswalk/>) allows you to search by military occupational code or job title to find civilian equivalents.
- Consider that a military career is more of a trek than

a track. The most recent job does not necessarily represent the highest level of accomplishment. In the military, positions move laterally over time.

- Compare the core values of the applicant's military service branch with the core values of your organization.
- Consider veterans even if they don't have direct industry experience. Focus on competencies over equivalent job history, aiming for an 80 percent or better job fit with a 20 percent gap in knowledge that can be addressed through training after hire.

Hiring a veteran is a great way to honor those who served. For more information on how to recruit and retain military talent, contact your nearest job center at jobs.alaska.gov/employer.htm and ask for the "Military Employment Guide," which is also available at <http://jobs.alaska.gov/veterans/employer/veteran-employment-guide.pdf>.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.

Safety Minute

How to avoid carbon monoxide poisoning during winter

During the winter, external heat sources and combustion devices heat homes, propel vehicles, and generate power while we're off the grid or during emergencies. They can also pose a significant health risk. According to the Centers for Disease Control, unintentional carbon monoxide poisoning caused 2,244 deaths between 2010 and 2015, with the highest numbers in the winter.

CO and poisoning symptoms:

- CO is a poisonous gas that is colorless and odorless. It's less dense than air, meaning it will rise and accumulate at the highest point in a space.
- CO causes suffocation by displacing oxygen.
- CO poisoning often mimics other illnesses, which can make it hard to diagnose.
- The first signs of low-level CO poisoning are dizziness, headache, nausea, weakness, vomiting, and confusion.
- In amounts above 1,200 parts per million, CO can cause sudden illness, unconsciousness, and death.

How and where CO is produced:

- CO is most commonly produced by the incomplete burning of fossil fuels such as gasoline, diesel, coal, and natural gas. It can come from stoves, burning wood and charcoal, lanterns, gas ranges, and natural gas heating systems.
- CO can build up when furnaces and water heaters are improperly vented or unmaintained, usually in an

enclosed space such as a garage, mechanical room, or crawlspace.

- Another significant risk comes from vehicles running inside a garage, even for a short time.

How to prevent CO exposure:

- Install CO detectors on every level of your home, with battery power or battery backup. If the detector sounds, leave your home immediately and call 911.
- Have your heating system, water heater, and all combustion appliances inspected annually by a qualified contractor.
- Don't run a vehicle inside of a garage or any enclosed space.
- Don't use a generator, barbecue grill, or any combustion device inside your home or garage, or near a window or door.
- Don't heat your home with a gas oven or range stove.
- Don't burn anything in a fireplace or stove that isn't properly vented.

For additional information on carbon monoxide, visit: <https://www.cdc.gov/co/>.

Safety Minute is written by the Labor Standards and Safety Division of the Alaska Department of Labor and Workforce Development.