

ALASKA ECONOMIC

TRENDS

Meeting Alaska's Seasonal...

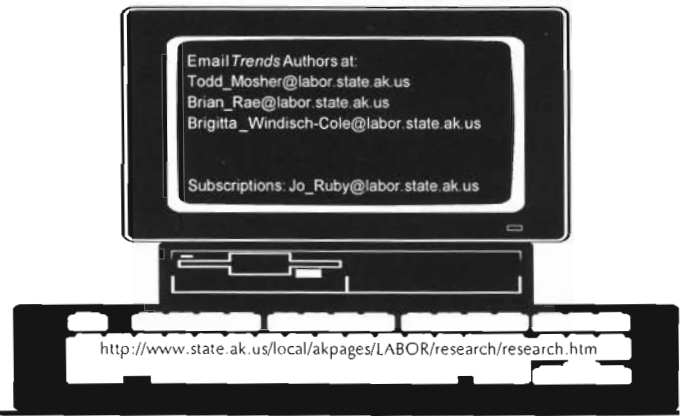


... Employment Needs

ALASKA EMPLOYMENT SCENE
UNEMPLOYMENT RATE AT 6.0%

SEAFOOD PROCESSING LEADS REBOUND IN NEW
HIRES DURING FIRST QUARTER OF 1997

ALASKA ECONOMIC TRENDS



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- 1 Meeting Alaska's Seasonal Employment Needs
 - 7 Seafood Processing Leads Rebound in New Hires During First Quarter of 1997
 - 11 Alaska Employment Scene:
Unemployment Rate at 6.0%
- Employment Scene Tables:
- 12 Nonagricultural Wage and Salary
Employment—Alaska and Anchorage
 - 12 Hours and Earnings for
Selected Industries
 - 13 Nonagricultural Wage and Salary
Employment in Other Economic Regions
 - 14 Unemployment Rates by Region and Census Area
- 16 1997 *TRENDS* Index of Articles

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Meeting Alaska's Seasonal Employment Needs

By Brian N. Rae

For many years, one of the most important tasks of the Alaska Department of Labor has been tracking levels of employment, labor force, and earnings. Every year, Alaska's economy experiences huge seasonal swings in these measures, the degrees of which are unrivaled by any other state. In 1996, for example, employment in the state's peak month exceeded that in the lowest month by nearly 35,000 jobs, or more than 14 percent. Seasonality in the Alaska economy exists for obvious reasons, and although the state's maturing economy has helped moderate the seasonal swings, nothing will stop them from recurring each year.

Large swings in employment levels might be explained by a number of conditions including short duration employment, multiple job holders, and the influx of outside workers. On one level, some seasonal workers are only marginally attached to the workforce—students on summer vacation being one example—and they find that working for only a few months each year fits their needs. These workers are identified as having relatively short-term employment durations, and they provide a source of labor for employers facing seasonal employment up-swings.

On the other hand, since employment levels are a measure of the number of jobs in the economy, and not the number of people working, seasonal employment gains might be explained by more people working more jobs in the summer months than in the winter ones. Such persons would be considered multiple job holders.

As a third option, workers might be "imported" from other areas to fill jobs, returning to work elsewhere as employment opportunities decline. The issue of residency is closely watched by the Alaska Department of Labor, and the data indicates that interstate movement of people in search of jobs in Alaska coincides with the seasonal swings in the state's economy.

In fact, both anecdotal and hard evidence points to all of the above as being factors easing the economic strains caused by the state's seasonal economy. This article will attempt to quantify the importance of each of the above factors in providing Alaska's employers with the workers they need when they need them.

Short duration workers help fill a void

In order to study the tendency of people to enter and leave the Alaska workforce, the Alaska

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Figure • 1

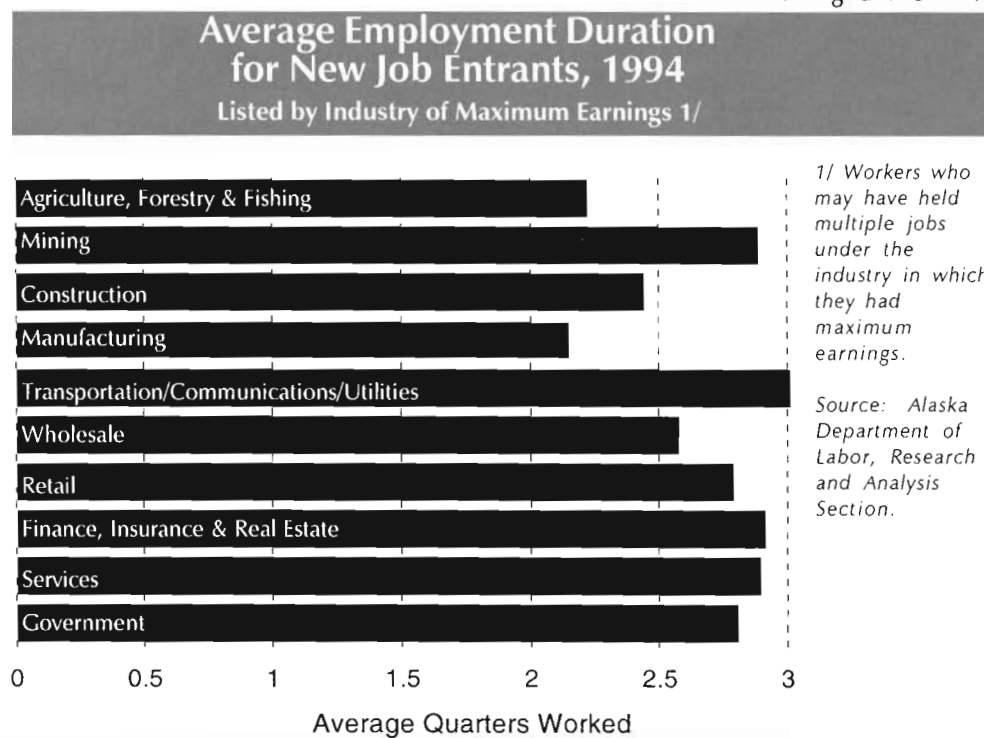
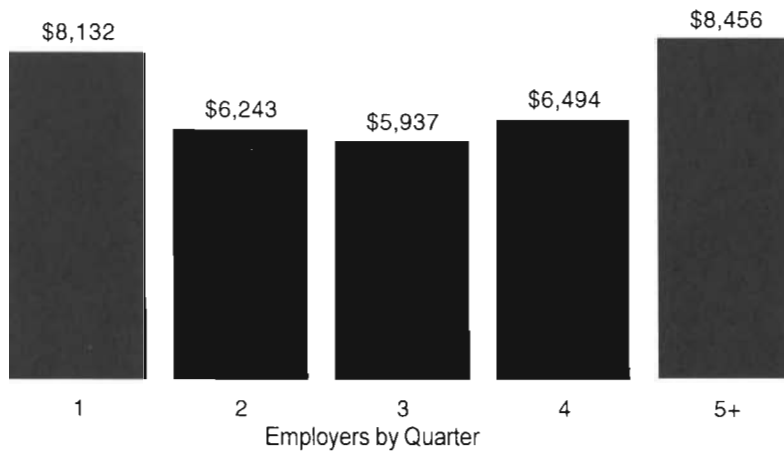


Figure • 2

Average Quarterly Wages by Number of Employers, 1994

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

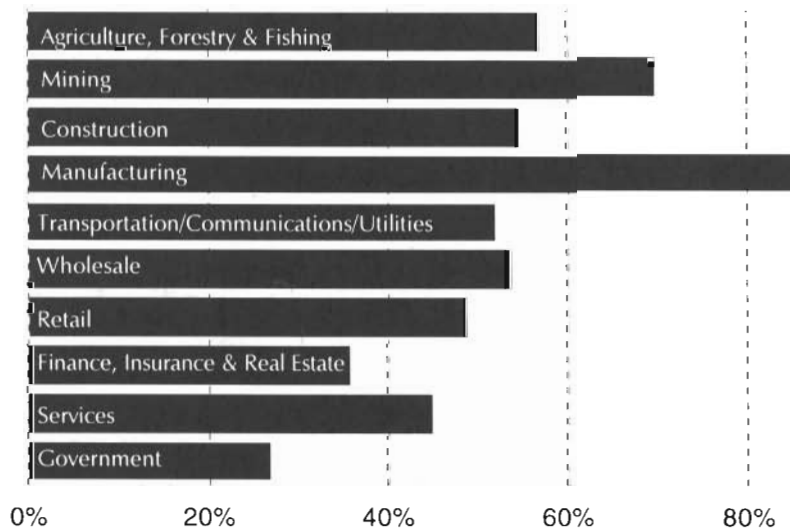


Department of Labor analyzed the employment records of all workers receiving wages in 1994.¹ To better understand the issue of employment duration as a factor in filling jobs in the state, a subset of workers was selected for review. Specifically, only those persons who had total reported earnings of more than \$100 in at least one quarter in 1994 but who did not have earnings in Alaska in the prior quarter were included in this group. These people were considered to be either new entrants or reentrants to the state's workforce. In 1994, about 139,000 people, or 40 percent of Alaska's wage earners, met this criterion.

Figure • 3

Percent of Outside New Job Holders by Industry, 1994

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



By definition, new job holders who had recently moved to Alaska were included in this group. Of these new job holders, 43 percent would be considered nonresidents of Alaska based on Alaska Permanent Fund Dividend application criteria². The remaining 57 percent included new entrants to the workforce, seasonal job holders, and those returning to the workforce after leaving for at least one quarter. Because a person could be counted twice in the same year—for example, working in the second quarter, unemployed in the third quarter and reentering the workforce in

¹The Alaska Department of Labor wage file includes only those workers covered by Alaska unemployment insurance. Therefore, all references to workers exclude self employed and federal government workers in the state.

²Nonresident workers are defined as those workers who did not receive a Permanent Fund Dividend (PFD) in the year of employment, nor did they apply for a PFD in the subsequent year.

the fourth quarter—these 139,000 workers actually accounted for 142,603 job "incidents."

By tracking these new job holders' earnings through subsequent quarters, those who had only a marginal attachment to the workforce were easily identified. More than one in four of these new job incidents lasted for only one quarter before the worker no longer showed up on the wage rolls in Alaska. (See Table 1.) One-half worked two or fewer quarters, while less than one in five new workforce entrants continued to earn wages in Alaska for more than eight straight quarters. As might be expected, short duration workers were even more prevalent in the highly seasonal employment period of the third quarter. In the third quarter of 1994, over 25,000 new workforce participants—61 percent of all workforce entrants in that quarter—fell off Alaska's employment rolls before January 1995.

Because many of the new job holders in 1994 have earned wages continuously since then, it is impossible to calculate an average duration. One can, however, calculate the average duration for a subset of new job holders. By looking at only those workers who had work durations of less than two years, and by identifying the industry in which they earned the most wages, it is possible to identify differences in average durations among the industries. As Figure 1 illustrates, the manufacturing, construction, and the agriculture, forestry and fishing industries showed the shortest work durations. Since these are the most seasonal industries in the state, short work durations are not unexpected. Compared to other industries with more stable over-the-year employment levels, seasonal industries rely more heavily on these short-duration workers. Tourism activity in Alaska also impacts the seasonality of the more year-round transportation, retail, and service industries.

Table • 1

New Work Force Entrants by Work Duration 1994 Annual and Third Quarter Data

Quarters	Annual 1994		3rd Quarter 1994	
	Workers	Percent	Workers	Percent
1	39,244	28%	17,254	42%
2	34,763	24	8,029	19
3	17,716	12	2,539	6
4	7,219	5	2,036	5
5	5,331	4	1,731	4
6	4,643	3	1,239	3
7	3,958	3	658	2
8	2,732	2	834	2
9+	26,997	19	7,082	17
	142,603	100%	41,402	100%

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

Table • 2

Employers Per Job Holder By Quarter, 1994

Job Holders:				
Employers	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1	161,299	174,777	182,579	179,048
2	18,184	24,903	26,943	22,589
3	2,155	3,663	4,339	3,103
4+	369	647	899	549

Percent of Job Holders:				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1	88.6%	85.7%	85.0%	87.2%
2	10.0	12.2	12.5	11.0
3	1.2	1.8	2.0	1.5
4+	0.2	0.3	0.4	0.3

Average Number of Employers / Job Holder:				
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	1.130	1.168	1.179	1.149

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

Multiple job holders provide employers with seasonal relief

When people who are already in the labor force work for multiple employers, they help fill the need for more seasonal workers in Alaska. On average, the "typical" Alaskan wage earner worked for 1.14 employers in any given quarter in 1994. This means a great percentage of people work for only one employer while a small minority work for multiple employers. (See Table 2.)

Table • 3

Average Quarterly Wages by Number of Employers

Average quarterly earnings per job in 1994 equaled \$8,067.

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

1994 Employers	Average Quarterly Wages
1	\$8,132
2	6,243
3	5,937
4	6,494
5	8,539
6	7,516
7	8,728
8	9,974

a job and starting another or by holding more than one job at a given time.) The highest share of multiple-employer workers occurred during the third quarter but still represented only 15 percent of total workers in that quarter.

These percentages seem small, but it is noteworthy that these multiple job holders actually fill two, three, four or more times the number of jobs of the "typical" worker, and the tendency to work for more than one employer increases during the summer months. By the third quarter of 1994, the 15 percent of workers who worked for more than one employer accounted for over one-fourth of all job incidents.

Even though these workers hold multiple jobs in a quarter, their wages fall well below those who work for only one employer in a quarter. (See Figure 2 and Table 3.) In 1994, workers employed by only one firm had average quarterly earnings of

over \$8,100, compared to \$6,243 for those working at two firms and \$5,937 for those with three employers. Note that these are total wages, not averages per employer, so the figures show that multiple job holders are likely working fewer hours or working for less pay per hour (or both) than are single-employer workers. This discrepancy in total quarterly earnings may be an indicator that a high number of workers in this group hold multiple jobs serially rather than concurrently.

Outside workers boost summertime workforce

As mentioned above, 43 percent of new job holders in 1994 would be considered nonresidents using Alaska Permanent Fund Dividend (PFD) application records. Of these, 13,195 actually did apply for a PFD at some time between 1993 and 1997. This leaves 46,612 of the new entrants to Alaska's workforce who never established residency in the state. To avoid confusion with the term nonresident, as used in other Alaska Department of Labor studies, these workers will, for this article, be called outside workers or outsiders. Outside workers accounted for one-third of all new entrants to the workforce in 1994.

The 1994 employment data show that outside workers are more highly concentrated in industries that show the most seasonal swings in employment. (See Figure 3.) The manufacturing sector, which is comprised primarily of seafood and timber processing, relied on the most outside workers to fill its very cyclical labor demands, while mining came in a distant second. Most other industries were virtually equal in their reliance on outside workers with the exception of government and finance, insurance and real estate. Both of these industries show less seasonal swings in employment and have less reliance on short duration and temporary employees. Note that the industries employing the largest shares of outside workers are also the ones where workers have the shortest work durations.

Given the sharp seasonal swings in the state's economy, employers must rely on a combination

of short duration employees, multiple job holders and outside workers to fill their seasonal workforce demands. In the next section, some differences between these seasonal workers and the rest of Alaska's labor force are explored.

Comparing the characteristics of Alaska workers based on residency

As might be expected, not all workers in Alaska share the same characteristics with regard to their workforce participation. One comparison can be made by splitting workers based on residency. Comparing workers who have never applied for an Alaska Permanent Fund Dividend (PFD) with those workers who have applied for at least one dividend reveals several differences.

The most glaring difference, and the most easily explained, is found in the average wages earned during their work tenure by new job holders who are outsiders versus those who are residents. Outside workers in 1994 earned an average of \$11,298 dollars in Alaska before recording a quarter without wages. This compares to nearly \$21,000 earned by resident (or one-time resident) workers before they register their first quarter with no earnings in the state. Outside workers, by definition, work fewer quarters than do new job holders who are Alaska residents. If they did not return outside, one could assume these workers would establish residency and take advantage of the PFD. Over 70 percent worked for only one or two quarters in the state before falling off the earnings rolls. (See Table 4.)

Less intuitive, but still explainable, are the average quarterly earnings data for outside workers versus PFD recipients. As with calculating average durations, it is impossible to determine average quarterly wages for all new job holders, since some have not yet left the workforce. It is possible, however, to look at workers who have both entered and left the workforce—those with no Alaska wages on both sides of an earning period in the state—and determine an average quarterly earnings pattern. Here, outside workers show significantly higher earnings than do PFD recipients. (See Table 5.)

Table • 4

Quarters Worked by Residency Category

Quarters Worked	Percent Working by Duration		May not add to 100% due to rounding. For total new entrants to workforce, see Table 1.
	Outside Workers	Resident 1/ Workers	
1	41%	21%	Source: Alaska Department of Labor, Research and Analysis Section.
2	31	21	
3	13	12	
4	5	5	
5	3	4	
6	2	4	
7	2	3	
8	1	2	
9+	4	27	

Table • 5

Comparison of Resident vs. Outside Workers Quarterly Earnings

Quarters Worked	1994 Quarterly Wages		1/ For the purpose of this analysis, a worker who received a PFD between 1993 and 1997 is considered a resident worker. This definition differs from that used in other Department of Labor publications.
	Outside Workers Avg. Wage	Resident 1/ Workers Avg. Wage	
1	\$3,132	\$1,822	Source: Alaska Department of Labor, Research and Analysis Section.
2	3,128	2,254	
3	4,167	3,249	
4	4,907	3,076	
5	5,554	3,255	
6	6,233	3,522	
7	6,608	4,262	
8	7,150	4,360	
9+	n/a	n/a	

The explanation for these wage differences lies in the fact that most outside new job holders travel to Alaska specifically to get a job and earn the best possible income. These workers are likely to be more focused on finding good paying full time employment, thus accounting for the higher quarterly earnings. In contrast, many resident new job holders are looking for short duration jobs. These resident workers are often students, secondary income earners in a household, or people augmenting a subsistence lifestyle with some wage and salary employment. While these residents provide an important source of seasonal workers, they will often be content to take part-time and/or lower paying jobs with flexible working hours.

New job holders are only a subset of the entire labor force. For those workers who never received a PFD but who had wages in 1994, a very large percentage are identified as new job holders. Such is not the case with resident workers, where a much smaller percentage were new job holders as compared with those who were continuously employed throughout the year. Since new job holders generally fill entry level, lower paying positions, one would expect their average quarterly earnings to be significantly less than those with continuous employment in the state.

The report *Nonresidents Working In Alaska-1995*, published by the Research and Analysis Section of the Alaska Department of Labor, substantiates these expectations. The report found that for all resident workers, average quarterly earnings were nearly \$7,500. This compares with nonresident quarterly earnings of less than \$5,600³.

Summary: There's more than one way to fill a job

It is clear that employment fluctuations caused by the state's seasonal economy require many employers to find short term and part time help to fill jobs. After looking at those workers with wages in 1994 and their subsequent employment histories, it is equally clear that employees have found several different ways to fill Alaska's labor pool needs during seasonal employment floods. While many non-Alaskans rush to the state for employment opportunities, residents also participate by entering the labor force during peak employment periods or by working for multiple employers during busy seasons.

³Nonresidents Working in Alaska-1995, published January 31, 1997, prepared by Jeff Hadland

Seafood Processing Leads Rebound in New Hires During First Quarter of 1997

by Todd Mosher

In the first quarter of 1997, there were approximately 41,000 new hires in Alaska, up by over three percent compared to the same period 1996. (See Table 1.) This marked the first time since 1994 that winter new hires had grown from the previous year. (See Figure 1.) A strong winter fishery was the biggest factor, pushing seafood processing new hires up by about 750, or 17.5%, compared to the previous winter.

Most industries' hiring was stronger than in previous winter

Seafood processing was not the entire story. New hires in retail trade and services, Alaska's largest private sectors, were up by 5.8% and 4.7%, respectively, compared to the first quarter of 1996, and wholesale trade was nearly 10 percent above 1996 levels. Especially noteworthy was continued growth in health services hiring. Hiring of registered nurses, physicians and dentists, and other health care professionals was up by about 200 from the previous winter. Transportation hiring, fueled by growth in air cargo employment, was up by close to three percent. Compared to year-ago levels, new hires in the oil, construction and government sectors were down.

The Alaska New Hires Quarterly Report measures the number of job opportunities created by business expansions, business start-ups, and job turnover. The report assists employment security personnel and the job-seekers they serve as they develop strategies for job placement in the Alaska economy. A new hire is defined as an employee who was not working for the employer in any of the four previous quarters. New hires data include job turnover; readers, therefore, are cautioned against drawing broad conclusions about job growth trends based solely on quarterly new hires data.

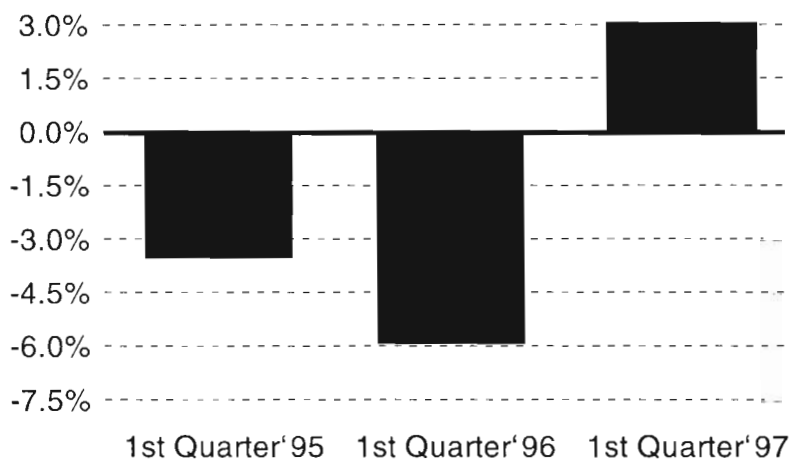
Southwest Alaska gets lion's share

Southwest Alaska was the greatest beneficiary of new hires growth in the seafood processing industry in the first quarter. New hires were up by 630, or nearly 14 percent, in this region. A strong opilio crab harvest and ground fishery led to a strong late-quarter rebound in winter hiring. Seafood processing employment in Southwest Alaska in

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Figure • 1

Year-to-Year Percent Change in Winter Quarter New Hires, Alaska, 1995-1997



New hires figures include turnover and should not be used to assess job growth trends. Source: Alaska Department of Labor, Research and Analysis

Alaska New Hires 1st Quarter 1997

1/ Includes local passenger, water, and nonscheduled air transportation, as well as travel agencies and other travel arrangers. Not all of the employment in these categories is attributable to tourism, but all are heavily influenced by tourism in most regions.

2/ Includes all employees of publicly-owned institutions.

New hires include job turnover and should not be used to assess job growth trends.

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

	1st Qtr '97	Change from 4th Qtr '96	Change from 1st Qtr '96
Total New Hires:	40,998	-4,368	1,238
By Region			
Northern	2,081	-427	-571
Interior	4,570	-1,196	45
Southwest	5,232	1,659	630
Anchorage	18,705	-4,946	948
Gulf Coast	4,405	452	340
Southeast	4,818	-376	-11
Offshore	925	581	-40
Outside	215	-22	-119
Unknown	47	-93	16
By Industry			
Ag./Forestry/Fishing	475	176	216
Mining	700	-5	-504
Oil & Gas Extraction	565	108	-490
All Other	135	-113	-14
Construction	2,609	-1,919	-126
Manufacturing	5,934	4,242	780
Seafood Processing	5,023	4,100	748
All Other	911	142	32
Trans./Comm./Util.	2,863	-322	77
Tourism Related /1	590	68	-2
All Other	2,273	-390	79
Wholesale Trade	1,214	-117	109
Retail Trade	9,109	-4,076	498
Fin./Ins./Real Estate	1,520	-106	120
Services	12,561	-769	565
Hotels & Lodging	912	-48	22
All Other	11,649	-744	543
Public Administration /2	4,013	-1,449	-497

January was about on par with 1996, but in March there were 550 more seafood processing jobs than there were at the same time in 1996. Hiring in the Gulf Coast region of the state was also up, gaining 340 new hires over the previous winter. Unlike Southwest Alaska, however, year-to-year seafood processing employment comparisons turned negative in the Gulf Coast after a good showing in January.

Urban areas also picked up the pace

The Anchorage/Mat-Su region of the state had 950 more new hires in the winter of 1997 than in the winter of 1996, a gain of over five percent. Anchorage has been the biggest winner of employment gains in the service-producing sector of Alaska's economy, accounting for most of the health and business services new hires. The City and Borough of Juneau turned in a year-to-year new hires gain of about four percent, while Fairbanks was up by a modest 1.5%.

New hires versus Alaska job entrants

The categories of "new hire" and "new job entrant" are not synonymous, and neither are they mutually exclusive.¹ A new job entrant is a worker who did not work for any Alaska employer in the previous quarter. A new hire, on the other hand, may have worked in the previous quarter for a different employer.

¹For more on new job entrants see "Meeting Alaska's Seasonal Employment Needs" by Brian N. Rae on Page 1 of this issue.

Figure 2 examines Alaska workers in the first quarter of 1997, splitting all workers into four groups: new hires who did work in the previous quarter (7.0%); new hires who did not work in the previous quarter (7.8%); those who were not new hires and worked in the previous quarter (82.9%); and those who were not new hires and, for some reason, did not work in the previous quarter (2.3%). The cut-away section on the right of the pie chart indicates that almost 15 percent of all Alaska workers were new hires in the first quarter of 1997. The white cut-away section shows that 7.8% of the workforce were new hires and did not work in Alaska in the fourth quarter of 1996. Therefore, they were both new hires and new Alaska job entrants.



The two white slices of the pie in Figure 2 indicate that about 10 percent of all workers were "new job entrants." Slightly more than three-fourths of these job entrants, or 7.8% of the workforce, were newly hired by their first quarter 1997 employer. The remaining job entrants, or 2.3% of the workforce, were re-hired by an employer they had worked for at some time during the first three quarters, but not during the fourth quarter of 1996. Most of these individuals were seafood processing workers re-hired by an employer they had worked for in the previous winter and/or summer fishing season.

This type of analysis provides an interesting way to compare workers of different industries. Figure 3 compares the oil and seafood processing industries, using the same breakdown as Figure 2. Not only is there a much higher percentage of new hires in the

seafood industry compared to the oil industry, but their prior quarter work statuses also run opposite. In the oil industry, almost twice as many of the new hires worked in Alaska in the fourth quarter of 1996 than did not. On the other hand, less than one-fifth of seafood processing new hires worked in Alaska in the fourth quarter of 1996. Moreover, a much larger percentage of seafood processing

Important notes about the new hires data

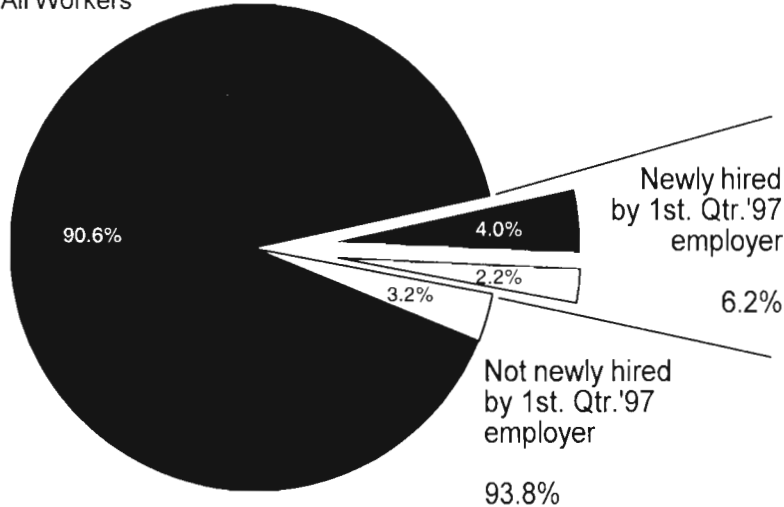
The new hires series is designed to measure job opportunities provided by both employee turnover and new job creation. Every firm with employees working in Alaska is required to report social security numbers, occupation, work site location and wages earned for each of their employees to the Alaska Department of Labor on a quarterly basis. To be considered a new hire, a person must receive wages from a firm that they have not worked for in any of the four previous quarters. There is no differentiation between new hires who replace a departing worker and new hires entering newly created jobs. A worker can be counted as a new hire for more than one employer during a quarter.

Figure • 3

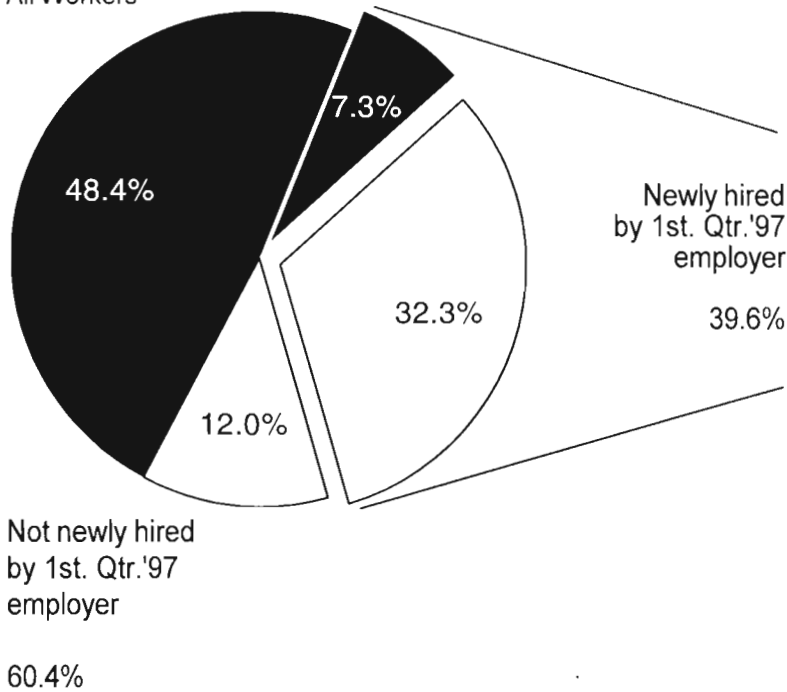
Alaska New Hires, 1st Quarter 1997 by Prior Quarter Work Status

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

Oil and Gas Extraction Industry— All Workers



Seafood Processing Industry— All Workers



Worked for at least one employer in 4th Qtr. '96
 Did not work for any Alaska employer in 4th Qtr. '96

workers, 12% of the total compared to only 3.2% of oil workers, were re-hired by an employer they had worked for sometime in the first three quarters of 1996 after having no Alaska employment in the fourth quarter of 1996. These comparisons highlight the more seasonal nature of the seafood industry and its greater reliance on obtaining new hires from outside the state.

Unemployment Rate at 6.0%

For just the third time in the 1990s, Alaska's September jobless rate (not seasonally adjusted) registered at 6.0%. In September, 1989, during the Exxon Valdez oil spill clean up effort, the rate dropped to 5.6%. That was the only other point in the past 17 years that Alaska's statewide unemployment rate for September has been at or below the 6.0% level.

September's slowdown of seasonal industries saw the number of unemployed workers rise nearly 700 from August, but there were over 500 fewer unemployed than in September of 1996. This September's unemployment rate registered two-tenths of a percentage point below the 1996 level of 6.2%. (See Table 4.) Over-the-month wage and salary employment comparisons also showed a seasonal decline, as the economy shed 8,500 jobs in seafood processing, construction, and tourism related industries (transportation, trade, and services). Alaska's economy, however, posted a gain of 3,100 jobs over September of 1996. (See Table 1.)

Since 1990, demographic and economic developments have favorably impacted unemployment statistics. Rapid job expansion in most of the lower 48 states has eliminated the need for many workers to venture to Alaska in search of jobs. In fact, for the fourth consecutive year the number of persons leaving Alaska exceeded new arrivals. The drop in the number of people moving to the state has alleviated some of the pressure for jobs in Alaska's labor market, while some of those leaving the state left jobs behind. Other factors have also helped moderate the unemployment rate. Retail and service industries have aug-

mented the year-round employment base. Several large national retailers entered Alaska's markets, creating many full-year jobs. Statewide, retail markets continue to expand although at a slower pace. Those service industries that are less impacted by seasons have also remained strong year-round contributors to job growth in the state—particularly the health care service industry.

New hotels add infrastructure for the visitor industry

Over half of the statewide job growth has occurred in the multi-faceted services sector. This industry encompasses employment in health care, hotel, business, private education, repair, amusement, and many other types of specialty services. Services employment will get another boost with the completion of new hotels that are currently under construction. In 1997, construction crews benefited from investment in hotels and this build-up will stretch into the 1998 construction season.

Continued on page 14

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Figure • 1

Over a Million Visitors Came to Alaska For Five Consecutive Years

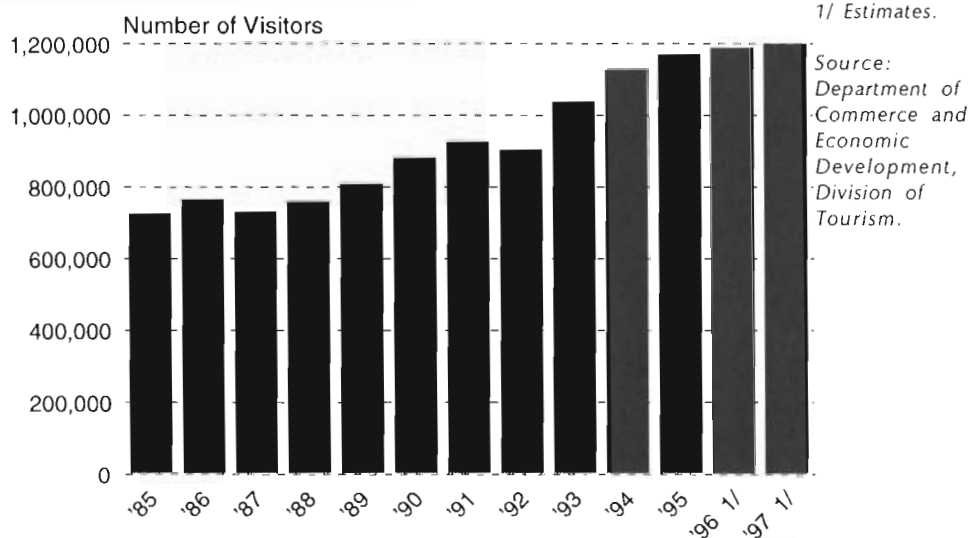


Table • 1

Nonagricultural Wage and Salary Employment by Place of Work

Alaska	p/		Changes from:			Municipality of Anchorage	p/		Changes from:		
	9/97	8/97	9/96	8/97	9/96		9/97	8/97	9/96	8/97	9/96
Total Nonag. Wage & Salary	278,600	284,800	275,500	-6,200	3,100	Total Nonag. Wage & Salary	126,700	127,400	124,500	-700	2,200
Goods-producing	42,900	47,600	43,200	-4,700	-300	Goods-producing	12,500	12,900	12,400	-400	100
Service-producing	235,700	237,200	232,300	-1,500	3,400	Service-producing	114,200	114,500	112,100	-300	2,100
Mining	10,300	10,300	10,400	0	-100	Mining	2,400	2,400	2,500	0	-100
Construction	15,500	16,000	15,400	-500	100	Construction	8,100	8,400	7,800	-300	300
Manufacturing	17,100	21,300	17,400	-4,200	-300	Manufacturing	2,000	2,100	2,100	-100	-100
Durable Goods	3,400	3,400	3,400	0	0	Transportation	12,800	12,900	12,200	-100	600
Lumber & Wood Products	2,200	2,200	2,200	0	0	Air Transportation	5,200	5,100	4,700	100	500
Nondurable Goods	13,700	17,900	14,000	-4,200	-300	Communications	2,400	2,300	2,200	100	200
Seafood Processing	11,000	15,100	11,000	-4,100	0	Trade	30,700	31,100	30,400	-400	300
Pulp Mills	100	100	500	0	-400	Wholesale Trade	6,400	6,700	6,500	-300	-100
Transportation	25,300	25,400	24,200	-100	1,100	Retail Trade	24,300	24,400	23,900	-100	400
Trucking & Warehousing	2,900	3,100	2,800	-200	100	Gen. Merch. & Apparel	4,700	4,800	4,600	-100	100
Water Transportation	2,300	2,300	2,200	0	100	Food Stores	2,800	2,900	2,900	-100	-100
Air Transportation	8,600	8,600	8,000	0	600	Eating & Drinking Places	8,700	8,700	8,600	0	100
Communications	3,900	4,000	3,800	-100	100	Finance-Ins. & Real Estate	7,100	7,300	7,200	-200	-100
Trade	57,800	59,900	57,300	-2,100	500	Services & Misc.	35,500	35,900	34,500	-400	1,000
Wholesale Trade	8,900	9,400	9,000	-500	-100	Hotels & Lodging Places	2,800	2,900	2,700	-100	100
Retail Trade	48,900	50,500	48,300	-1,600	600	Business Services	6,400	6,500	6,200	-100	200
Gen. Merch. & Apparel	9,200	9,400	9,200	-200	0	Health Services	7,400	7,500	7,000	-100	400
Food Stores	7,100	7,200	7,100	-100	0	Engineering & Mngmt. Serv.	5,200	5,200	5,200	0	0
Eating & Drinking Places	17,000	17,800	16,800	-800	200	Government	28,100	27,300	27,800	800	300
Finance-Ins. & Real Estate	12,100	12,300	11,900	-200	200	Federal	10,000	10,100	10,200	-100	-200
Services & Misc.	67,200	69,100	65,100	-1,900	2,100	State	8,400	7,900	8,300	500	100
Hotels & Lodging Places	7,900	9,000	7,600	-1,100	300	Local	9,700	9,300	9,300	400	400
Business Services	8,900	8,900	8,400	0	500						
Health Services	14,200	14,400	13,600	-200	600						
Engineering & Mngmt. Serv.	7,600	7,600	7,600	0	0						
Government	73,300	70,500	73,800	2,800	-500						
Federal	17,500	17,900	17,700	-400	-200						
State	21,500	20,600	22,200	900	-700						
Local	34,300	32,000	33,900	2,300	400						

Table • 2

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/	9/96	p/	r/	9/96	p/	r/	9/96
	9/97	8/97		9/97	8/97		9/97	8/97	
Mining	\$1,407.14	\$1,405.39	\$1,281.01	52.9	53.6	51.8	\$26.60	\$26.22	\$24.73
Construction	1,207.41	1,169.89	1,190.40	46.6	45.1	46.5	25.91	25.94	25.60
Manufacturing	654.38	553.87	610.43	52.1	48.5	53.5	12.56	11.42	11.41
Seafood Processing	512.47	447.50	490.20	52.4	48.8	57.2	9.78	9.17	8.57
Trans., Comm. & Utilities	667.14	657.56	685.67	34.3	34.0	34.7	19.45	19.34	19.76
Trade	425.38	430.21	431.49	33.6	34.5	34.3	12.66	12.47	12.58
Wholesale	653.78	643.72	658.97	37.9	38.5	38.9	17.25	16.72	16.94
Retail	383.76	389.91	389.94	32.8	33.7	33.5	11.70	11.57	11.64
Finance-Ins. & R.E.	510.48	511.43	504.50	36.0	36.9	36.4	14.18	13.86	13.86

Notes to Tables 1-3:

Nonagricultural also excludes self employed workers, fishers, domestics, and unpaid family workers.

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-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.

Benchmark: March 1996

Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region	p/		Changes from:		
	9/97	8/97	9/96	8/97	9/96
Total Nonag. Wage & Salary	38,950	40,750	39,400	-1,800	-450
Goods-producing	6,750	8,050	7,050	-1,300	-300
Service-producing	32,200	32,700	32,350	-500	-150
Mining	350	350	300	0	50
Construction	1,950	2,050	2,000	-100	-50
Manufacturing	4,450	5,650	4,750	-1,200	-300
Durable Goods	1,650	1,800	1,600	-150	50
Lumber & Wood Products	1,500	1,600	1,450	-100	50
Nondurable Goods	2,800	3,850	3,150	-1,050	-350
Seafood Processing	2,400	3,400	2,400	-1,000	0
Pulp Mills	150	150	500	0	-350
Transportation	3,250	3,450	3,350	-200	-100
Trade	7,250	7,700	7,350	-450	-100
Wholesale Trade	600	600	550	0	50
Retail Trade	6,650	7,100	6,800	-450	-150
Finance-Ins. & Real Estate	1,650	1,700	1,550	-50	100
Services & Misc.	7,550	7,800	7,400	-250	150
Government	12,500	12,050	12,700	450	-200
Federal	2,000	2,100	2,050	-100	-50
State	5,300	5,100	5,450	200	-150
Local	5,200	4,850	5,200	350	0

Interior Region	p/		Changes from:		
	9/97	8/97	9/96	8/97	9/96
Total Nonag. Wage & Salary	39,750	40,400	39,700	-650	50
Goods-producing	4,600	4,800	4,750	-200	-150
Service-producing	35,150	35,600	34,950	-450	200
Mining	1,450	1,500	1,400	-50	50
Construction	2,500	2,650	2,700	-150	-200
Manufacturing	650	650	650	0	0
Transportation	3,550	3,650	3,300	-100	250
Trade	8,450	8,800	8,400	-350	50
Finance-Ins. & Real Estate	1,050	1,100	1,050	-50	0
Services & Misc.	9,350	9,950	9,150	-600	200
Government	12,750	12,100	13,050	650	-300
Federal	3,850	3,950	3,850	-100	0
State	4,450	4,150	4,750	300	-300
Local	4,450	4,000	4,450	450	0

Fairbanks North Star Borough	p/		Changes from:		
	9/97	8/97	9/96	8/97	9/96
Total Nonag. Wage & Salary	34,100	34,650	33,850	-550	250
Goods-producing	4,050	4,250	4,050	-200	0
Service-producing	30,050	30,400	29,800	-350	250
Mining	1,200	1,300	1,200	-100	0
Construction	2,250	2,350	2,250	-100	0
Manufacturing	600	600	600	0	0
Transportation	2,900	2,900	2,600	0	300
Trucking & Warehousing	600	650	550	-50	50
Air Transportation	650	650	600	0	50
Communications	300	300	300	0	0
Trade	7,750	8,050	7,650	-300	100
Wholesale Trade	800	850	850	-50	-50
Retail Trade	6,950	7,200	6,800	-250	150
Gen. Merch. & Apparel	1,350	1,350	1,350	0	0
Food Stores	800	750	750	50	50
Eating & Drinking Places	2,800	3,050	2,750	-250	50
Finance-Ins. & Real Estate	1,000	1,000	1,000	0	0
Services & Misc.	8,100	8,750	8,050	-650	50
Government	10,300	9,700	10,500	600	-200
Federal	3,200	3,250	3,250	-50	-50
State	4,200	3,800	4,350	400	-150
Local	2,900	2,650	2,900	250	0

Anchorage/Mat-Su Region	p/		Changes from:		
	9/97	8/97	9/96	8/97	9/96
Total Nonag. Wage & Salary	138,150	139,150	135,100	-1,000	3,050
Goods-producing	13,500	14,000	13,250	-500	250
Service-producing	124,650	125,150	121,850	-500	2,800
Mining	2,450	2,450	2,550	0	-100
Construction	8,900	9,300	8,550	-400	350
Manufacturing	2,150	2,250	2,150	-100	0
Transportation	13,750	13,800	13,050	-50	700
Trade	33,700	34,150	33,250	-450	450
Finance-Ins. & Real Estate	7,600	7,750	7,600	-150	0
Services & Misc.	38,450	39,000	37,050	-550	1,400
Government	31,150	30,450	30,900	700	250
Federal	10,200	10,250	10,300	-50	-100
State	9,300	8,950	9,350	350	-50
Local	11,650	11,250	11,250	400	400

Gulf Coast Region	p/		Changes from:		
	9/97	8/97	9/96	8/97	9/96
Total Nonag. Wage & Salary	28,750	31,400	28,450	-2,650	300
Goods-producing	7,500	9,500	7,450	-2,000	50
Service-producing	21,250	21,900	21,000	-650	250
Mining	1,250	1,250	1,150	0	100
Construction	1,450	1,450	1,450	0	0
Manufacturing	4,800	6,800	4,850	-2,000	-50
Seafood Processing	3,450	5,450	3,450	-2,000	0
Transportation	2,450	2,450	2,400	0	50
Trade	5,500	6,050	5,450	-550	50
Wholesale Trade	750	800	750	-50	0
Retail Trade	4,750	5,250	4,700	-500	50
Finance-Ins. & Real Estate	700	700	700	0	0
Services & Misc.	5,850	6,300	5,650	-450	200
Government	6,750	6,400	6,800	350	-50
Federal	750	800	750	-50	0
State	1,700	1,650	1,800	50	-100
Local	4,300	3,950	4,250	350	50

Southwest Region	p/		Changes from:		
	9/97	8/97	9/96	8/97	9/96
Total Nonag. Wage & Salary	17,650	18,150	17,700	-500	-50
Goods-producing	5,300	6,250	5,300	-950	0
Service-producing	12,350	11,900	12,400	450	-50
Seafood Processing	5,000	5,950	5,000	-950	0
Government	5,450	5,000	5,600	450	-150
Federal	450	450	500	0	-50
State	450	500	550	-50	-100
Local	4,550	4,050	4,550	500	0

Northern Region	p/		Changes from:		
	9/97	8/97	9/96	8/97	9/96
Total Nonag. Wage & Salary	15,250	14,900	15,600	350	-350
Goods-producing	5,200	5,250	5,400	-50	-200
Service-producing	10,050	9,650	10,200	400	-150
Mining	4,850	4,750	4,950	100	-100
Government	4,650	4,300	4,800	350	-150
Federal	200	200	200	0	0
State	300	300	350	0	-50
Local	4,150	3,800	4,250	350	-100

Table • 4

Unemployment Rates by Region & Census Area

p/ denotes preliminary estimates

r/ denotes revised estimates

Benchmark: March 1996

Data presented here are intended to show the relative condition of Alaska's labor force for the reference month. Data published for prior years are not necessarily comparable to current information, which does not reflect benchmark revisions.

The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaskan locations, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. These individuals are considered not in the labor force.

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

Continued from page 11

Three mid-size hotels opened in Anchorage this year: a 154-room Courtyard owned by the NANA Marriott Joint Venture; Microtel Inn and Suites with 77 rooms; and the Hampton Inn, a 101-room facility. The new Mt. McKinley Princess Lodge in Denali State Park, with 162 rooms, opened in May for the tourist season. Additional hotel and construction employment is expected as new facilities come on line and old ones are refurbished. Four hotels are under construction in Anchorage and several more are under consideration. In Fairbanks, the Westmark has begun a \$4.5 million renovation project. In Anchorage, the Holiday Inn has announced a \$5.4 million remodeling project.

The growing visitor industry has prompted this large investment in Alaska. In 1993, the number of visitors to the state topped the one million mark. It has remained above that level for the past five years. (See Figure 1.) This year, industry analysts estimate that, by year-end, about 1.2 million people will have visited the state. Although fewer travelers than in past seasons drove to Alaska through Canada, the number of cruise ship passengers continued to climb. Most cruise liners sailed Southeast's Inside Passage with some continuing across the Gulf of Alaska. Seward, with over 60 cruise ship landings, has become the most popular port of call in the Prince William Sound area.

A unique Alaska harvest: The Permanent Fund Dividend

Since 1982, Alaskans who qualify for the Alaska Permanent Fund Dividend (PFD) have received this special boost to income. This year's check for \$1,296.54 represented an increase of 15 percent from 1996. In fact, it set a new record.

Not Seasonally Adjusted	Percent Unemployed		
	<i>p/</i> 9/97	<i>r/</i> 8/97	9/96
United States	4.7	4.8	5.0
Alaska Statewide	6.0	5.6	6.2
Anch.-MatSu Region	5.5	5.1	5.5
Municipality of Anchorage	5.0	4.6	4.8
MatSu Borough	8.2	7.8	9.1
Gulf Coast Region	8.0	7.1	9.5
Kenai Peninsula Borough	8.8	7.6	11.5
Kodiak Island Borough	6.4	6.7	5.2
Valdez-Cordova	7.1	5.8	7.3
Interior Region	5.8	5.5	6.3
Denali Borough	7.4	5.5	4.9
Fairbanks North Star Borough	5.4	5.2	5.9
Southeast Fairbanks	7.1	7.5	8.2
Yukon-Koyukuk	12.1	9.5	12.0
Northern Region	9.6	9.8	9.8
Nome	9.9	11.0	10.4
North Slope Borough	5.9	5.1	4.3
Northwest Arctic Borough	14.7	14.9	16.8
Southeast Region	5.2	4.9	5.4
Haines Borough	6.4	4.2	6.9
Juneau Borough	4.6	4.3	4.9
Ketchikan Gateway Borough	6.6	6.1	5.6
Prince of Wales-Outer Ketch.	7.8	9.2	9.8
Sitka Borough	3.6	3.9	4.8
Skagway-Hoonah-Angoon	3.5	3.2	3.6
Wrangell-Petersburg	4.8	3.9	5.7
Yakutat Borough	7.6	5.4	2.8
Southwest Region	6.7	7.3	6.2
Aleutians East Borough	1.8	4.5	3.0
Aleutians West	4.8	6.0	3.2
Bethel	8.1	8.0	7.7
Bristol Bay Borough	8.1	5.0	7.4
Dillingham	7.3	6.8	7.0
Lake & Peninsula Borough	6.8	5.9	4.8
Wade Hampton	8.2	10.9	7.9
Seasonally Adjusted			
United States	4.9	4.9	5.2
Alaska Statewide	7.5	7.6	7.3

Since its inception, the dividend program has injected over \$6.5 billion into Alaska's economy. This year it provided Alaskans with \$720 million to save, invest or spend. The resulting shopping spree has turned October into an important month for the retail, transportation, and services industries.

The additional cash is just one potential benefit of receiving a PFD. It lowers cost-of-living expenses for some Alaskans. Special bargains, tied to the PFD, in retail, services and transportation increase the purchasing power of consumers. Special airfare promotions, for example, have lowered transportation expenses. One airline offered travel packages of five in-state tickets or four out-of-state coupons (with airline-specific destinations) in exchange for one PFD. Other airlines offered similar cost-saving deals. Savings in travel expenses are of particular interest to rural travelers. A round-trip between Anchorage and Dutch Harbor, for example, in November of 1997, using a special PFD ticket, cost \$259, which is 61 percent less than the lowest regular fare of \$654.

Summary:

The enlarged employment base and out-migration have both helped to moderate the unemployment rate. Since the early 1990s, expansion in the retail trade and services industries has generated many year-round jobs, increasing employment opportunities for Alaskans. The unemployment rates of the 1990s compare favorably with those experienced a decade ago. The build up of tourist infrastructure, as evidenced by the hotel industry, may spur more visitor growth. New job growth in the hospitality industry lies just ahead. Alaska's Permanent Fund Dividend distribution reached a new record this year, paying out \$720 million to Alaska residents. Not only do cash benefits result from distribution of the dividend checks, but also sales promotions of the retail and transportation industries stretch the PFD's purchasing power.

1997 Index of *TRENDS* Articles

January

- *ATRENDS* Profile—Ketchikan
- Mill Closure Impacts Far Reaching
- Alaska's Employment Scene:
October Winterizes Economy
- The Alaska Economic *TRENDS* Index: 1996 Articles

February

- Alaska's Gender Gap Narrows
- A Showcase of Alaska's Frontier—
The Copper River Region
- Alaska's Employment Scene:
Alaska's Economy Continues Modest Growth

March

- Age Analysis of Alaska Workers, 1995
- Spring New Hires Taper Off in 1996
- Nonresident Workers Up Slightly from 1994
- Alaska's Employment Scene:
December Figures Cinch Ninth Straight
Year of Growth

April

- The Year in Review—Job Growth Continued
in 1996 Despite Setbacks
- On the Annual Benchmark Revision
- Alaska's Employment Scene:
Lower Unemployment Trend Continues

May

- Forecast 1997-98
 - Economy to Maintain Steady Course
 - Anchorage's Economy Holding Its Own
 - Fairbanks Embraces Economic Growth
 - Will Mining Rescue Southeast's Economy?
- Alaska's Employment Scene:
February Hints at Spring Growth

June

- Measuring Alaska's Cost of Living
- Summer of 1996 New Hires Report—Hard Rock
Mining and Services Hiring Brisk
- Alaska's Employment Scene:
Services Keeps Employment Growing

July

- The Changing Face of Alaska's Employment
Security System
- *ATRENDS* Profile—The Bristol Bay Region
- Alaska's Employment Scene:
Economy Springs Forward in April

August

- Alaska's Largest Private Employers in 1996
- Alaska's Employment Scene:
Labor Market Positive Despite Restrained Growth

September

- *ATRENDS* Profile—Haines Borough
- Alaska Contrasts with
Rest of U.S. in 1995-96 CFOI
- Health and Mechanical Occupations in Demand
During 4th Quarter 1996
- Alaska's Employment Scene:
First Half Of 1997—Unemployment Down;
Employment Up, Slightly

October

- *ATRENDS* Profile—Matanuska-Susitna Borough
- Alaska's Employment Scene:
Unemployment and Inflation Fall

November

- Metal Mining: Revival of a Basic Industry
- Alaska's Employment Scene:
Unemployment Hits Annual Low in August

December

- Meeting Alaska's Seasonal Employment Needs
- Seafood Processing Leads Rebound in New Hires
During First Quarter of 1997
- Alaska's Employment Scene:
Unemployment Rate at 6.0%

Alaska Employment Service

Anchorage: Phone 269-4800

Bethel: Phone 543-2210

Dillingham: Phone 842-5579

Eagle River: Phone 694-6904/07

Mat-Su: Phone 352-2500

Fairbanks: Phone 451-5967

Glennallen: Phone 822-3350

Kotzebue: Phone 442-3280

Nome: Phone 443-2626/2460

Tok: Phone 883-5629

Valdez: Phone 835-4910

Kenai: Phone 283-2927

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



The Alaska Department of Labor shall foster and promote the welfare of the wage earners of the state and improve their working conditions and advance their opportunities for profitable employment.