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Southeast Alaska

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Frank H. Murkowski
Governor of Alaska

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Southeast Alaska

by
Neal Gilbertsen
Labor Economist

A tale of two economies

In the last decade, the communities of Southeast Alaska have followed divergent economic paths. Juneau, the state's capital, has seen steady growth, while much of the rest of the region has seen heavy job losses in the timber and fishing industries. Although intuition might suggest that Juneau's growth has been the result of growing government, such intuition would be mistaken. While government remains the unquestioned heart of the economy, most of Juneau's growth over the last decade has come from the private sector. By contrast, in nearly every other Southeast community the private sector has struggled and the more stable government jobs have increased in importance, as they have become a larger percentage of total employment.

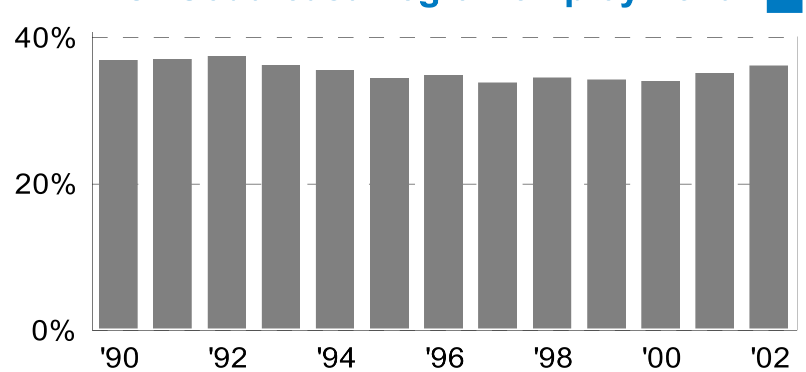
Rich in resources, but rugged and isolated

Southeast Alaska includes the thin strip of Alaska coastline that extends from Dixon Entrance in the south to Cape St. Elias in the north and the hundreds of islands in the Alexander Archipelago. Much of Southeast is covered by the Tongass National Forest. The region's rugged island and coastal geography has been both a blessing and a curse. Tourists are drawn to the beauty of a wilderness only lightly touched by roads, but these attributes also render the development of the region's timber, fish and mineral resources both difficult and expensive.

Because most Southeast communities have developed in isolated settings, each represents a unique economic environment. While the region as a whole has traditionally shared a dependency upon fishing, timber, tourism, and government, the relative importance of each of these industries varies from location to location. Communities that relied heavily on timber and fisheries have suffered through a decade of damaging economic events. Logging has been curtailed, mills have closed, and salmon prices have plummeted.

As a result of these setbacks, the overall economy of Southeast Alaska has shown little growth over the last decade. The region-wide statistics, however, contain a tale of two distinct economies. Juneau has experienced steady growth, both in population and employment. Offsetting this positive trend has been the erosion of population and employment in most of the other communities of Southeast. To explain these differences as based on government growth would be to

Government as Percent
Of Southeast Region employment **1**



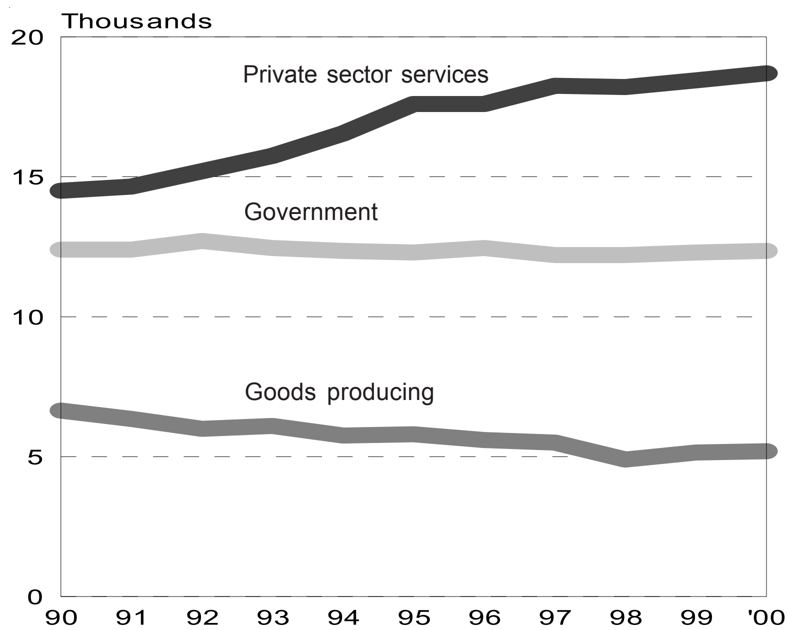
2001 and 2002 adjusted for Tribal Government.

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

misinterpret what is happening. (See Exhibit 1.) In fact, the capital city of Juneau is the one community in Southeast where government played a smaller economic role in 2002 than it did in 1990. (See Exhibit 7.)

Like the rest of the nation, Alaska has experienced a decline in manufacturing and natural resources employment. (See *Alaska Economic Trends* January 2004 *Employment Scene*.) Southeast has been particularly hard hit by these reductions. Again following the national trends, the relative importance of the region's services sector as a source of employment has increased over the last decade. (See Exhibit 2.) That most of these jobs have been created in Juneau is tied to the fact that Juneau's core economy of government provides a large enough year-round workforce to attract service oriented businesses.

2 Southeast Employment
By sector 1990–2000



Note: Data based on SIC categories, and cannot be compared with post-2001 NAICS categories.

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

Declines in timber and fishing have hurt the region

A yellow bumper sticker supporting jobs in fisheries, timber, and tourism is seen frequently in many Southeast communities. The message expresses an understandable desire to recapture a recent past when the first two industries provided much of the private sector employment and income throughout the region. While all three industries remain important to Southeast, in their current manifestations they are highly seasonal and often rely upon a transient workforce. Communities that rely on highly seasonal and transient employment often have difficulty attracting service providers who predicate their business investments on year round clientele.

In the decade of the 1990s, the Alaska Pulp Corporation and Ketchikan Pulp Company ceased operations. Mill closures in Ketchikan, Sitka, and Wrangell dramatically impacted the economies of these communities by eliminating their major private sector sources of year round employment. In addition, the seasonal but well paid logging activities in Prince of Wales-Outer Ketchikan, Wrangell-Petersburg, and Skagway-Hoonah-Angoon census areas were severely reduced. In 1990, there were 3,450 sawmill and logging jobs in the region. By 2002, only 450 of these remained. The elimination of 3,000 high paying jobs has contributed to an exodus of population and a reduction in per-capita private sector earnings. (See *Trends*, December 2003.)

The salmon and herring fisheries of the area have also experienced hard times. While salmon runs remain extremely strong in historical terms, prices have fallen to such low levels that large numbers of fishermen have been forced out, or have voluntarily left the industry. In 1992, for example, 2,658 salmon permit holders harvested 188 million pounds of salmon valued at $109 million. A decade later, 1,671 salmon permit holders landed 220 million pounds valued at only $35.4 million. The reduced fishing effort resulted in a 17 percent increase in harvest volume, but a 68 percent decline in harvest value. The nearly 1,000 fewer permits represent a 37 percent reduction in fishing effort, and does not capture the even greater decline in the number of crewmember jobs.

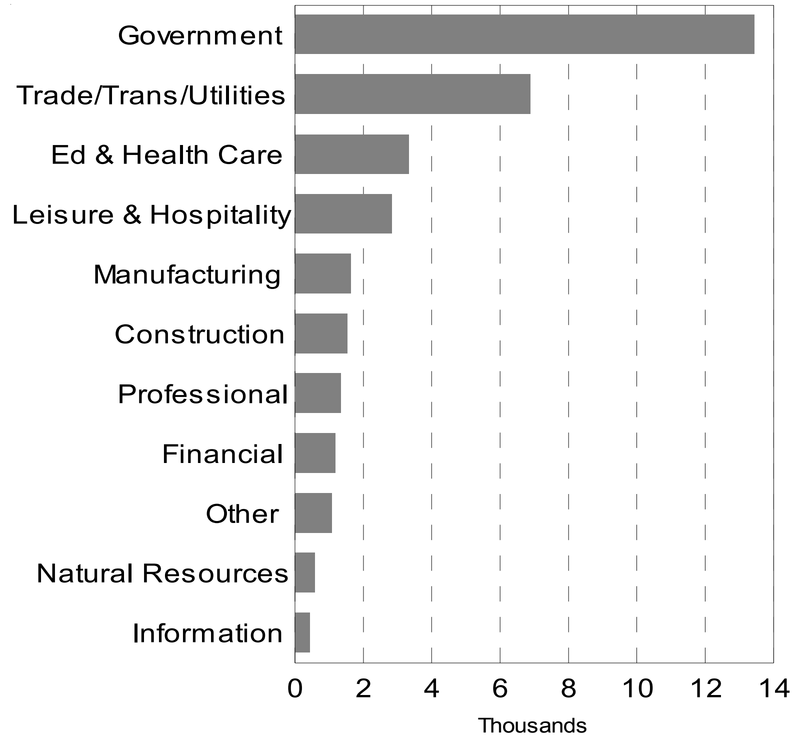
While fishing by its very nature is seasonal, the prices of the late 1980s and early 1990s allowed a large number of fishermen to earn a reasonable annual income. By the late 1990s and early years of this century, both participation and earnings had fallen to much lower levels. Fish processing employment, always dominated by a transient workforce, has also slightly declined over the last decade. Once again, the seasonal and transient nature of both fisheries and fish processing offers little incentive for new service industries to locate in communities dependent upon a declining industry. (See *Trends* October 2003.)

Tourism has grown but may have reached a plateau

Tourism related activities in Southeast have undoubtedly increased over the last decade, but the Alaska Department of Labor and Workforce Development (DOLWD) does not monitor tourism per se. It is often difficult or even impossible to differentiate between employment opportunities created by local demand and those that result from the visitor industry. There is some indication that tourist generated employment opportunities may have been declining over the last several years. Since 2001, the peak months of June, July, and August have shown a significant decline in Leisure and Hospitality employment. In July 2001, for example, this sector accounted for 5,150 jobs, but by 2002 the month's total fell to 5,050, and in 2003 declined further to 4,750. Once again the causes of this decline cannot be clearly established and some of the reduction might be attributed to fewer residents dining out or other slackening of local demand.

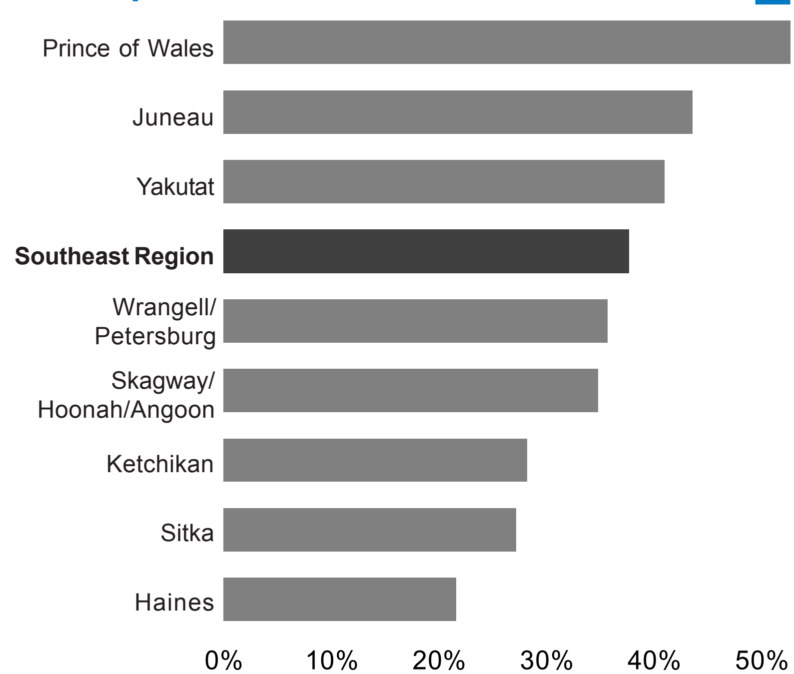
Still, as the winter residents of Southeast recognize, the large number of seasonally shuttered jewelry stores, kayaking offices, and T-shirt shops indicate an increasing regional reliance upon tourism. What is also obvious is that tourism related employment offers little in terms of year round employment. While seasonal employment can

Southeast Employment 3
By industry—2002



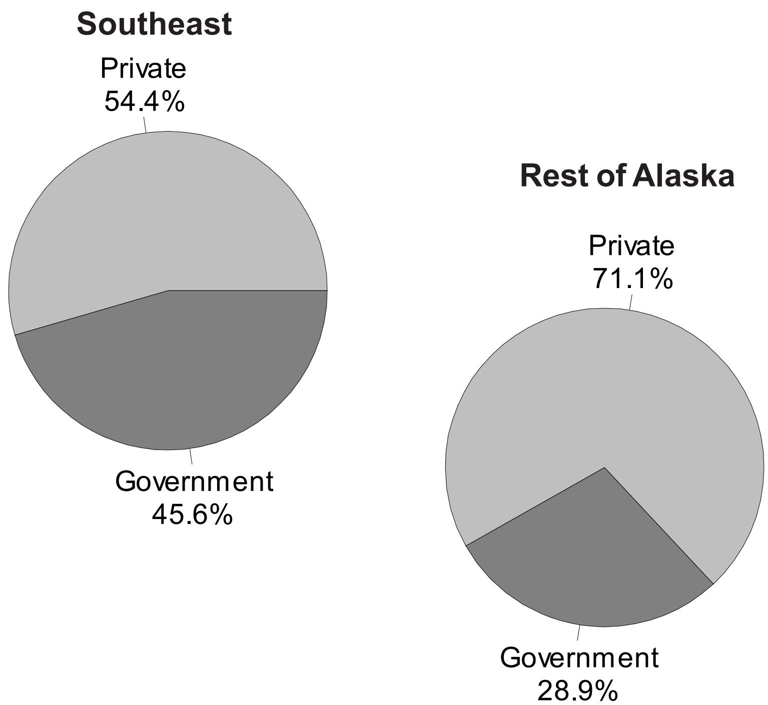
Source: Alaska Department of Labor and Workforce Development,Research and Analysis Section

Government Employment 4
As percent of total–Southeast 2002



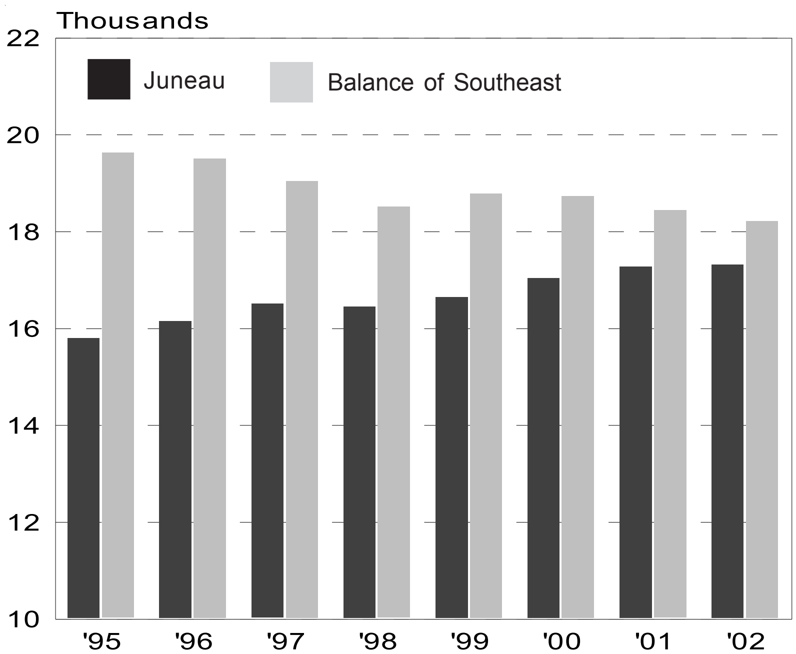
Source: Alaska Department of Labor and Workforce Development,Research and Analysis Section

5 Private and Government Payrolls
As percent of total wages–2002



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

6 Juneau Employment vs.
Balance of Southeast Alaska



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

augment a healthy core economy, it cannot provide a substitute adequate to attract year round service oriented businesses.

Much of Southeast's private sector economy is seasonal

Fisheries, timber and tourism share a common trait in that they are highly seasonal industries. Fisheries and resulting seafood processing employment peak with the salmon runs of July and August. Logging activities are usually curtailed during the winter months when weather and daylight hours limit access to the forest. Tourism also centers on the summer months. Businesses relying on a year round clientele tend to gravitate to areas of stable employment. When the tourist season ends, many shops in Ketchikan, Skagway and other Southeast communities close their doors, and their seasonal employees follow in the wakes of southbound tour ships. By the time Southeast's rain swollen autumn streams are filled with spawning salmon, seafood-processing workers have followed their own migratory instincts to warmer climes.

Against this backdrop of a highly seasonal private sector suffering declines in two of its three major components, the role of government as the major source of stable regional employment is often overlooked.

Government dominates Southeast economy

If the core economy of a region is defined as those industries that provide year round employment to a significant percentage of the population, there is no question that government reigns supreme in Southeast. This is true of every community in the region. (See Exhibits 3, 4, and 5.)

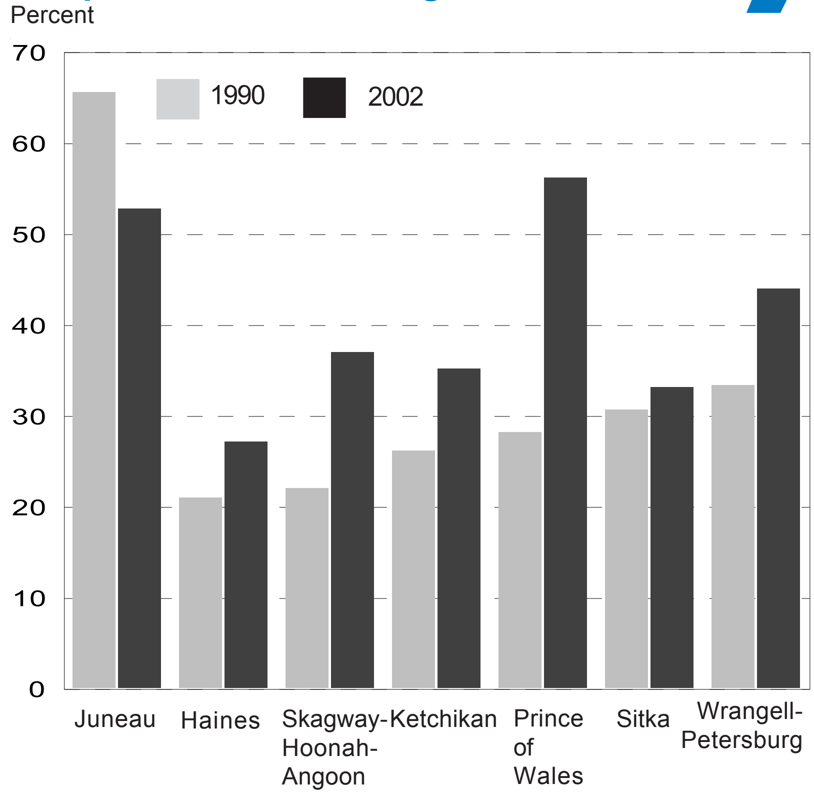
In 2002, government, (including tribal government), directly accounted for 37.8 percent of all regional employment and nearly 46 percent of all wages and salaries paid in Southeast Alaska. This compares with statewide totals of 27 percent of all jobs and 29 percent of all wages and salaries.

(See Exhibit 5.) In addition to direct government employment, many of the area's private sector jobs are dependent upon government contracts or funding sources. These include such things as road construction and even medical services. Southeast Alaska Regional Health Corporation, (SEARHC) the area's largest private sector employer, for example, relies heavily upon federal funding.

Juneau is the only community in Southeast that has experienced consistent economic growth in recent years. (See Exhibit 6). It is also the only community where the relative economic importance of government has declined over the past decade. Because government provides the capital a stable employment base, Juneau has been able to attract private businesses that cater to this core economy. By contrast, the growing relative economic importance of government in other Southeast communities is largely due to the contraction of the private sector core economy. As year-round employment opportunities, especially in timber related industries have fallen, these communities have become increasingly reliant upon government payrolls.

Government employment has not significantly increased in either absolute numbers or as a percentage of regional employment since the early 1990s, although there have been minor fluctuations from year to year. In 1993, of the 33,628 jobs in Southeast, 12,387, or 37 percent were in federal, state, or local government. By 2002, total employment had increased to 35,477 and government employment, (adjusted for the change in the way in which tribal employment is tallied) amounted to 12,827, or 36 percent. Total regional employment had increased 1,849 or 5.5%, while government employment, (excluding

Government Wages and Salaries 7
As percent of total wages–1990 v. 2002



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

Wage and Salary Income 8
1990 and 2002 (in $thousands)

	1990			2002		
	Total	**Government**	**Gov as %**	**Total**	**Government**	**Gov as %**
Haines	$23,067	$4,858	21.1%	$23,439	$6,394	27.3%
Juneau	403,635	265,165	65.7%	597,755	315,983	52.9%
Ketchikan	226,394	59,481	26.3%	216,704	76,443	35.3%
Prince of Wales/Outer Ketchikan	61,477	17,376	28.3%	48,480	27,291	56.3%
Sitka	103,793	31,959	30.8%	129,173	42,990	33.3%
Skagway-Hoonah-Angoon, Yakutat	58,398	12,974	22.2%	54,239	20,146	37.1%
Wrangell-Petersburg	68,631	23,016	33.5%	75,094	33,084	44.1%
Southeast	945,395	414,829	43.9%	1,144,884	522,331	45.6%
Balance of Alaska	6,058,703	1,877,049	31.0%	9,582,264	2,572,878	26.9%
Alaska	7,004,097	2,291,879	32.7%	10,727,148	3,095,209	28.9%

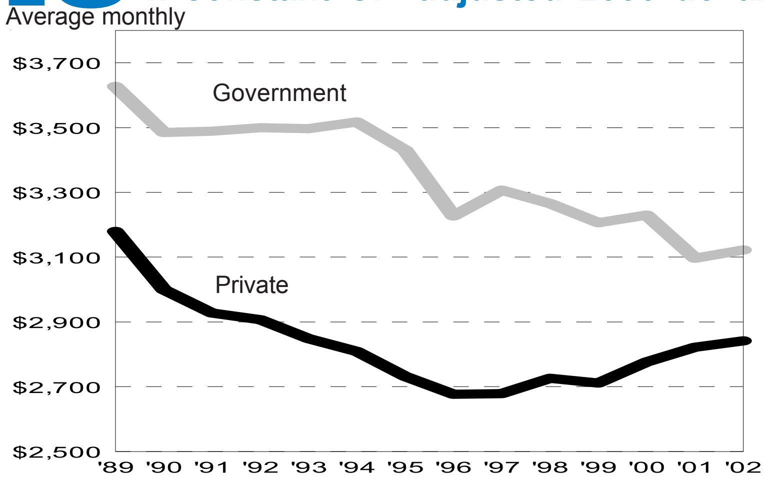
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

9 Average Monthly Wage/Salary
In constant CPI-adjusted 2000 dollars

Year	Private	Government	Federal	State	Local
1989	$3,179	$3,627	$3,452	$3,893	$3,544
1992	2,907	3,499	3,516	3,769	3,298
1994	2,809	3,517	3,519	3,761	3,346
1996	2,677	3,227	3,470	3,253	3,081
1998	2,726	3,265	3,918	3,162	2,988
2000	2,776	3,230	4,035	3,154	2,862
2002	2,842	3,122	4,175	3,111	2,668

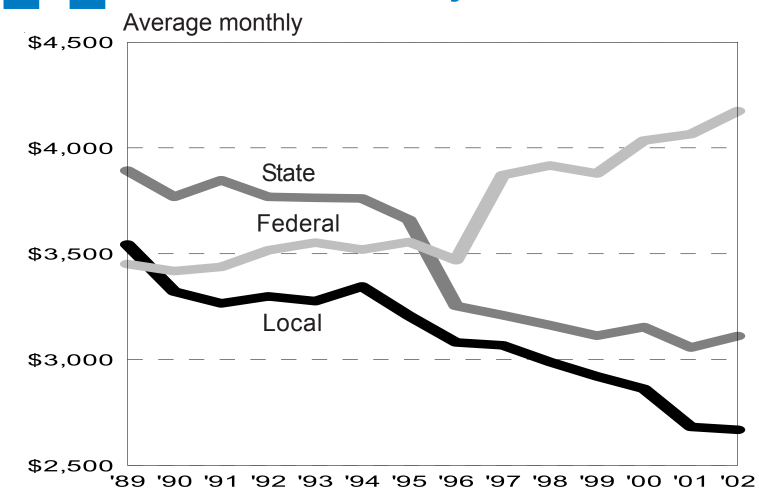
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

10 Government & Private Wages
In constant CPI-adjusted 2000 dollars



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

11 Government Salaries
In constant CPI-adjusted 2000 dollars



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

tribal) had grown at the slower rate of 3.5%, adding 440 positions.

Role of government grows in importance

Perhaps more telling than employment data is the role government wages and salaries play in relation to the overall economy. In 2002, government wages amounted to 56.3% of all wage and salary income reported from Prince of Wales-Outer Ketchikan. It also accounted for 52.9% of Juneau's wages and salaries. In fact, every community in Southeast, with the exception of Haines (27.3%) depended upon government for at least one third of all wages and salaries. (See Exhibit 7.) Of the $1.14 billion of reported regional wages in 2002, government accounted for $522 million or 45.6%. This degree of economic dependency is far higher than in the rest of Alaska, where government incomes account for less than 27 percent of total salaries. It also shows that government payrolls are growing in importance to every Southeast community except Juneau. (See Exhibit 8.)

While the relative importance of government payrolls is increasing in most Southeast communities, it has been quite stable in terms of the entire region. In 1990, when the timber industry was in its peak period and comparatively high salmon prices prevailed, government salaries accounted for 43.9% of the regional wage and salary income. While this percentage was slightly lower than the 45.6% of 2002, it must be remembered that the latter number includes the incomes of 550 tribal employees who were counted in the private sector prior to 2001. In point of fact, government employment has long exceeded the combined economic impact of timber, tourism and fisheries throughout the region. Moreover, it provides a large part of the year round employment base, which is the foundation for most service sector employment.

Government and private sector salaries

With the exception of Juneau, the communities of Southeast Alaska have seen the relative economic importance of government increase since 1990. For example, in 1990 government employment accounted for only 28.3% of wages and salaries in the Prince of Wales-Outer Ketchikan census area; by 2002 it had doubled to 56.3%. Ketchikan saw an increase from 26.3% to 35.3% over the same period, while Wrangell-Petersburg saw an increase from 33.5% to 44.1%. Sitka showed a relatively small increase from 30.8% to 33.3%, which does not reflect the fact that the region's largest private sector employer, SEARHC, is highly dependent upon government funding, nor does it capture the impact of uniformed Coast Guard personnel stationed there. Similar increases were evident throughout the region. Exhibit 7 illustrates these numbers.

The reason government wages and salaries grew in relative importance in most Southeast communities, however, is not because government has grown or because government workers received more or better pay raises. In fact, on a statewide basis, the average private sector worker's earnings, calculated in CPI adjusted constant 2000 dollars, have declined since 1989, but the average government worker's earnings have declined even more. The average private sector worker earns 12 percent less than he or she did in 1989, while the average government worker earns 16 percent less. Moreover, private sector earnings have shown a slight increase since 1996, rising from $2,677 to $2,842 in 2002, whereas government earnings have continued a slow decline, falling from $3,277 in 1996 to $3,122 in 2002, despite a small increase from 2001 to 2002. (See Exhibits 9 and 10.)

Employment change 1993 to 2002

Over the ten-year period 1993 through 2002, Southeast's annual average employment increased by 5.5%, adding 1,849 jobs. At first glance, this indicates a continuing if modest rate of growth for the region. When the regional data are broken down by community, the picture changes. While Juneau added 2,719 jobs, the rest of Southeast actually shed a total of 870 jobs. In the southernmost part of the region, Ketchikan Gateway Borough, Prince of Wales-Outer Ketchikan, and Wrangell-Petersburg were the hardest hit, losing a combined total of 1,396 jobs. To the north, Haines, Sitka, Skagway-Hoonah-Angoon, and Yakutat fared somewhat better, adding a combined total of 526 jobs, 71 percent of which were in Skagway-Hoonah-Angoon.

In short, Juneau employment grew 19 percent over this period, while employment in the rest of Southeast registered a 5 percent decline. The losses in southern Southeast are related to the losses in timber and fisheries that provided much of that area's core economy. (See Exhibits 13 and

Average Monthly Wages/Salaries 12
Southeast–2002, unadjusted

	Federal	State	Local	Private
Haines	$5,144	$3,297	$2,372	$2,035
Juneau	5,099	3,335	3,185	2,393
Ketchikan	4,364	3,271	3,121	2,423
Prince of Wales	3,531	3,370	2,161	2,062
Sitka	4,339	2,700	2,852	2,298
Skagway-Hoonah-Angoon	3,434	2,832	1,989	2,365
Wrangell-Petersburg	4,087	2,912	2,612	2,090
Yakutat	3,648	3,038	2,098	2,295

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

Employment in Southeast 13
1993 and 2002

	1993		2002		Change	Change
	Gov't	Total	Gov't	Total	Gov't	Total
Haines	242	911	195	893	-47	-18
Juneau	6,940	14,612	7,518	17,331	578	2,719
Ketchikan	1,859	7,582	1,908	6,732	49	-850
Prince of Wales	803	2,094	962	1,818	159	-276
Sitka	1,086	4,074	1,177	4,203	91	129
Skagway/Hoonah/Angoon	510	1,179	543	1,552	33	373
Wrangell-Petersburg	859	2,882	936	2,612	77	-270
Yakutat	88	294	138	336	50	42
tribal adjustment *			-550		-550	
Southeast Region	12,387	33,628	12,827	35,477	440	1,849
Government Growth Rate					3.6%	
Total Employment Growth						7.0%

* Prior to 2001, tribal employment was counted in the private sector.
In 2002, tribal government accounted for an estimated 550 employees.

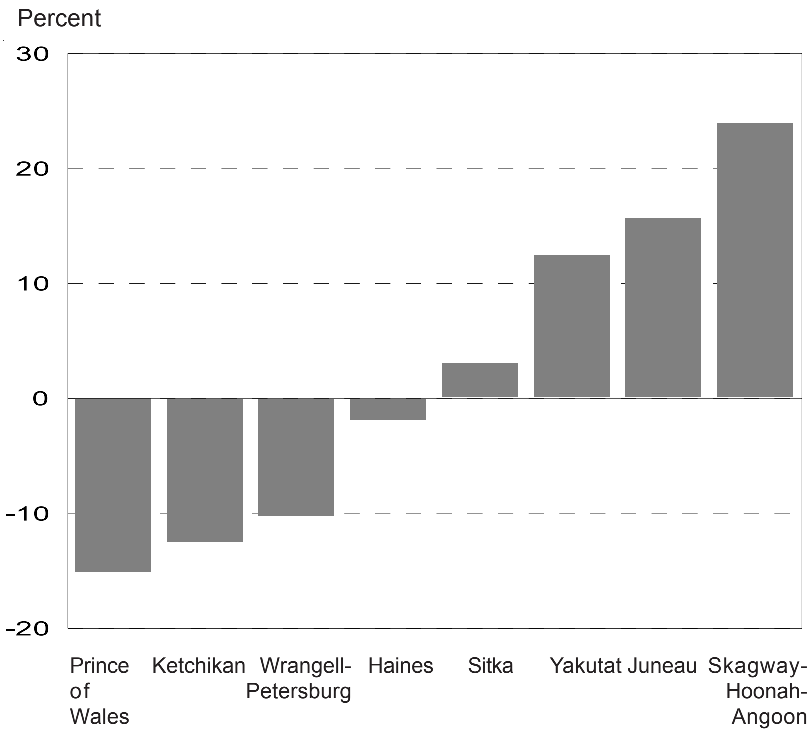
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

14.) Juneau, on the other hand, had less of that type of employment to lose and the benefit of a large, relatively stable base of government employment that may have helped attract private sector growth and development.

Demographic implications of economic changes

The 1990 U.S. Census found 68,989 residents in Southeast Alaska. By 2000, this number had increased to 73,082. These once-a-decade data tend to conceal the patterns of early growth and recent declines that have characterized most of the region. Since 1997, the population of Southeast has been shrinking. In that year, the DOLWD estimated the region had 73,302 inhabitants. By 2002, the revised estimate had fallen to 71,935. The provisional estimate for 2003 shows a continuing decline, with 71,841 regional residents.

14 Employment Change
In percent — 1993-2002



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

The 2002 population was unevenly distributed among the eight separate boroughs and census areas that make up the region. Three out of four Southeast residents lived in one of the region's three largest boroughs, Juneau, Ketchikan, or Sitka. Juneau accounted for 30,940 or 43 percent of the total population, while the Ketchikan Gateway Borough with 13,697 accounted for 19 percent and Sitka with 8,812 accounted for 12 percent. The remaining population was distributed among the Wrangell-Petersburg census area, 6,471, followed by Prince of Wales-Outer Ketchikan, 5,690, Skagway-Hoonah-Angoon, 3,243, Haines, 2,362 and Yakutat, 720.

If 1990 census data are compared with the DOLWD estimated population of 71,935 in 2002, they show a total regional increase of 2,946. This growth was unevenly distributed. Juneau added 4,189 new residents, while the Wrangell-Petersburg census area lost 571 people. Prince of Wales-Outer Ketchikan had 588 fewer residents, Skagway-Hoonah-Angoon and Yakutat lost a combined 422, while Ketchikan lost 131. Outside of Juneau, only Sitka and Haines showed modest gains of 224 and 245 respectively. (See Exhibit 15.)

Generally speaking, changes in population are closely related to jobs. If a community loses jobs it will usually lose population, and vice versa. As noted above, Juneau's population grew by more than 4,000 from 1990 to 2002. Over the same period the number of jobs increased from 14,122 to 17,331, an increase of more than 3,000.

Nearly all of Juneau's growing population found jobs in the private sector, though the large, stable government employment base certainly played a role in attracting the new jobs. Department stores, supermarkets, restaurants, and medical and legal service providers, to name just a few, are all attracted to communities perceived to have a stable base of employment. As a result of Juneau's private sector job growth and the relatively constant number of government jobs, government's share of total wages and salaries fell in Juneau from 65.7% in 1990 to 52.9% in 2002.

The numbers for Ketchikan tell a different story. The population loss of 131 persons from 1990 to 2002 was much smaller than the decline of more than 1,000 wage and salary jobs over those same years. To date, Ketchikan has been unable to develop an alternative year-round employment base to replace its private sector job losses, although the growing role of the tour ship industry has provided seasonal opportunities. Contrary to the trend in Juneau, government wages and salaries have become relatively more important in Ketchikan, increasing from 26.3% of the total in 1990 to 35.3% in 2002.

Sitka's numbers, both population and employment, suggest that it has diversified its economy and recovered substantially from the loss of the Alaska Pulp Corporation in the early 1990s. From 1990 to 2002, Sitka's modest population growth of 224 was nearly matched by the addition of about 150 jobs. SEARHC and the Coast Guard have contributed enough economic stability to retain industry, but not enough to generate significant employment growth.

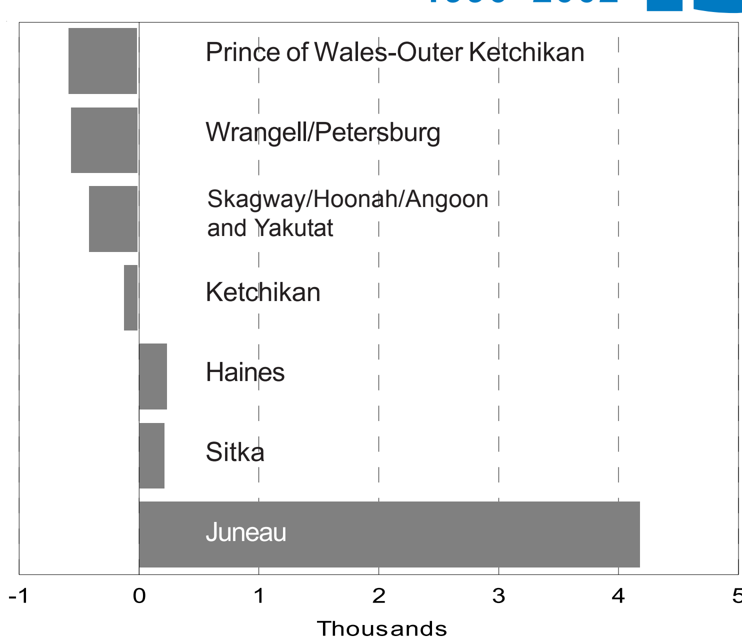
It should be remembered when looking at the 1990 to 2002 comparisons for these three communities, as well as for the region as a whole, that trends may have changed over the time period. Although the region shows population growth over the extended period, Southeast had fewer people in 2002 than it did in 1997. In other words, all of the region's growth took place from 1990 to 1997. With the possible exception of Juneau and Sitka, the most recent years tend to show both job and population losses for Southeast communities.

Conclusion

Despite its current economic difficulties, Southeast remains rich in fish, minerals, timber, and natural beauty. Increased access to these assets may provide the promise of the future. Proposed government projects such as the Bradfield Canal highway project, the Juneau access highway or the Ketchikan-Gravina Bridge will initially create jobs in the private sector if and when construction begins. While the construction jobs will disappear with the completion of the projects, it is hoped that the improved infrastructure will eventually lead to resource development and encourage private sector growth throughout the region. Some private sector projects, such as the Kensington Mine or Woewodski Island mineral development, are already on the horizon, but the immediate future does not seem to hold the promise of significant employment growth. In the interim, government employment will continue to play a central role in the economies of most Southeast communities.

Until the rest of the region regains a stable private sector core economy, Juneau will continue to account for most regional growth. Over the past decade, Juneau has grown and diversified while the rest of Southeast has experienced economic stagnation and contraction. It seems likely that these dual trends will continue for at least the next few years, and that Southeast will remain a tale of two economies.

Population Change 1990–2002 15



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

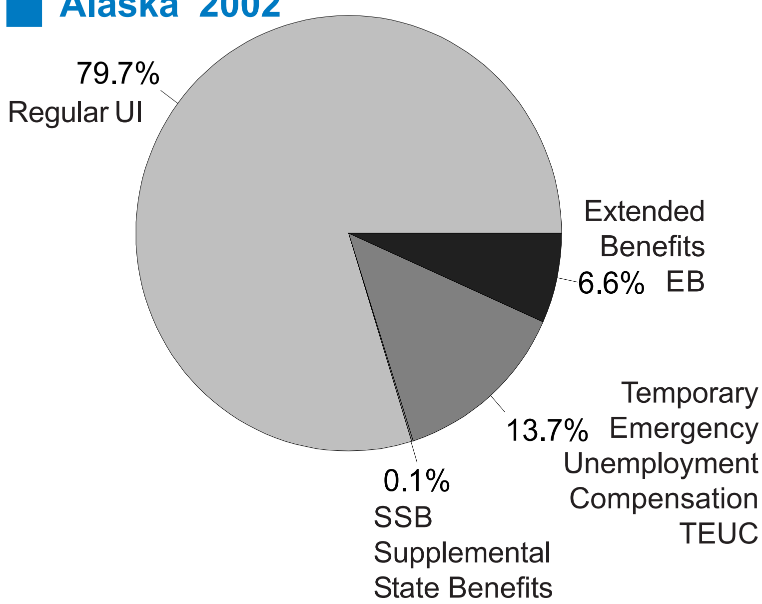
UI Supplemental Benefit Programs

by James Wilson
and Sara Verrelli
Economists

Supplemental programs extend benefits when regular benefits are exhausted

Unemployment insurance supplemental benefit programs, in essence, provide additional weeks of benefits to claimants who have exhausted their regular benefit accounts. The supplemental programs come into effect during periods of high unemployment, or by an act of Congress during economic downturns. The supplemental programs give an added boost to the economy when it is needed most.

1 UI Benefit Payments by Program
Alaska 2002



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

The Unemployment Insurance system – an overview

Unemployment insurance (UI) is an economic stabilization program that has been a part of the national economy for nearly seventy years. Workers receive temporary benefits during periods of unemployment, and employers are provided a more stable workforce of experienced workers who are available to return to work. Local economies benefit from the dollars spent by unemployment insurance claimants.

The foundation of the unemployment insurance system is the regular benefits program, which pays up to 26 weeks of benefit, depending on individual eligibility. From time to time, however, conditions in the economy are such that the regular benefits program is not sufficient to meet the objectives of the UI system. In such cases, a number of other UI programs supplement regular benefits. Supplemental UI programs provided 22.5% of total benefits paid during the year 2002.

Unemployment insurance can be viewed as a three-tier program. The first tier is regular benefits, financed and administered by each state. The second tier is a permanent supplemental program, extended benefits, which is triggered into effect by several unemployment rate mechanisms. The third tier is comprised of special or emergency benefit extensions enacted by Congress during periods of recession. The latest congressional extension program began March 2002 and ended for new claimants in December 2003.

The foundation – Regular Benefits

Regular benefits are funded by employer and employee payroll taxes deposited in the State of Alaska's unemployment insurance trust fund. During 2002, $123.6 million was paid to Alaska claimants through regular benefits. Regular benefits are available in every state under programs defined and administered by state governments. These programs vary greatly in eligibility requirements, benefit amounts, and non-monetary disqualification provisions. Alaska has the highest participation rate in the nation, allowing a greater percentage of unemployed workers to qualify for a benefit. However, Alaska's average benefit amount, in terms of percentage of wages replaced, is one of the lowest.

In Alaska, unemployed workers can qualify for up to 26 weeks of regular benefits, depending on their qualifying wages. Eligibility for regular benefits is established by earning at least $1,000 during a worker's "base period," the first four of the last five completed calendar quarters. At least $100 must be earned outside of the quarter of highest earnings. When a worker first files to establish eligibility, this establishes a 12-month long "claim year". If a worker has received benefits for the maximum number of weeks payable (exhausts benefits), no further regular benefits can be paid during the remainder of the claim year. A new claim year must be established using new base period wages.

It is not uncommon for Alaska claimants to be paid their maximum payable regular benefits and exhaust their account prior to the end of their benefit claim year. In 2002, forty-one percent of claimants filing for regular benefits exhausted their regular benefit entitlement, about average for the last ten years.

Permanent supplement – Extended Benefits (EB)

During past decades in periods of recession, it was found, nationally, that an increasing proportion of unemployment benefit recipients were exhausting their benefit entitlements. Because this was a consequence of economic conditions, and workers were still involuntarily unemployed, action was taken to provide for additional relief through the existing UI system. In 1970 Congress created the extended benefits (EB) program, and required all states to adopt it, providing an additional 13 weeks of benefits to those who had exhausted their regular benefit accounts.

Funding for the extended benefits program is shared fifty/fifty. One-half is financed by the state's unemployment insurance trust fund, and the other half by the federal general fund. During 2002, $10.1 million was paid to Alaska claimants under the extended benefits program.

The ability to pay benefits under the extended benefits program is determined by economic conditions, specifically by a number of unemployment rate calculations that "trigger" the program into and out of effect. Alaska, because it has historically had a high degree of

Extended Benefits 2
Weeks paid 1984–2003

Year	Weeks Paid	Year	Weeks Paid
1984	27	1994	14
1985	35	1995	23
1986	52	1996	22
1987	35	1997	18
1988	24	1998	15
1989	16	1999	19
1990	18	2000	13
1991	31	2001	13
1992	*0	2002	21
1993	*0	2003	52

* 1992 & 1993, EUC on entire year

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

seasonality in its employment and higher than national average unemployment rates, expects to have an extended benefits program in effect during each year. Typically an extended benefits period begins in February and ends in June.

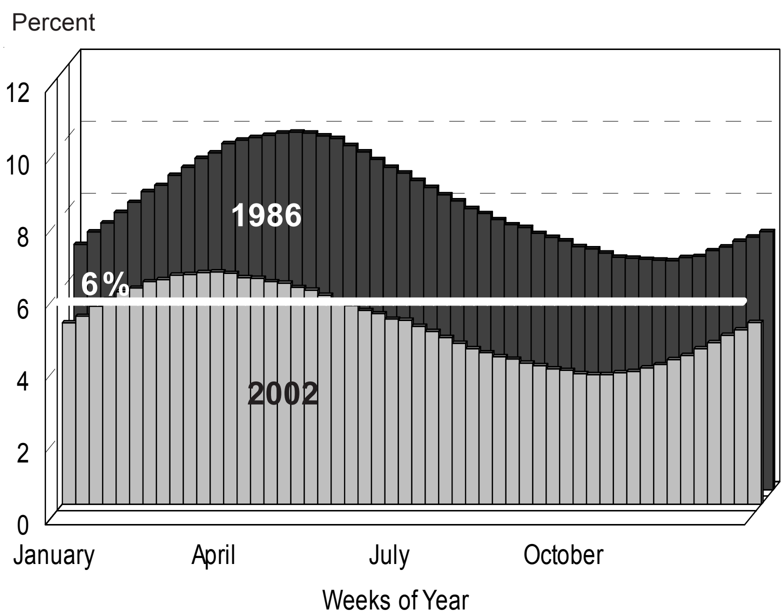
Due to unusual circumstances, Alaska began an extended benefits period in November 2002 that continued for the entire year of 2003. An alternate trigger mechanism came into effect for the first time.

EB safety net – Supplemental State Benefits (SSB)

In September 1982, federal law and conforming state law disallowed payment of extended benefits to low-wage earners who failed to earn at least forty times their weekly benefit amount during their base period. More than one thousand claimants could have been suddenly ineligible for extended benefits if their regular benefits were exhausted. The Alaska Legislature created the supplemental state benefits (SSB) program to provide an alternative for these low wage claimants, many of whom were in rural areas of the state.

Under the SSB legislation, low-wage claimants who are ineligible for extended benefits solely because of the "forty times rule" are eligible for SSB whenever an EB period is in effect. During 2002, 307 unemployed workers received $161,904 in supplemental state benefits. The average weekly benefit check was for $102.94 and the average claim duration was 5.7 weeks. In terms of clients served and benefit dollars paid, SSB is the smallest of the UI supplemental programs. Its impact on the state UI trust fund and the financing system has to be considered negligible when viewed against the totality of the entire system.

3 Insured Unemployment Rate
Alaska 1986 and 2002



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

Special federal programs

In the past few decades Congress has enacted temporary extension programs for the unemployment insurance program in its efforts to deal with the impact of economic recession. There have been many programs, each a product of its time, and here we will look at some of the more recent ones. Data on the oldest of these is somewhat sketchy and has been extracted from reports that were prepared close to that time.

1982 – Federal Supplemental Compensation (FSC)

The Federal Supplemental Compensation (FSC) Act of 1982 allowed additional weeks of benefits to be paid to claimants who were still unemployed but no longer eligible for regular benefits or extended benefits. The weekly benefit entitlement for FSC was the same as for regular benefits and extended benefits, while the duration of benefits varied according to the insured unemployment rate in the state of the claimant's residency. The FSC program was in effect from September 30, 1982, through March 31, 1985.

In Alaska, when the extended benefits program was "triggered off" (was no longer in effect), most claimants were automatically eligible for FSC. However, low-wage claimants receiving supplemental state benefits (SSB) were not eligible for FSC benefits. The impact of the FSC program was that with regular UI, extended benefits, and FSC combined, potential existed for some claimants to receive unemployment benefits continuously for a full year.

Benefit payment data for the first few months of the program (1982) and its first full year (1983) are not available to us some 20 years later. However, a nice snapshot is provided by descriptive information for 1984, the second full year of the program. In 1984, 13,712 persons received $10,920,866 in federal supplemental compensation benefits, including $1,176,658 in dependent benefits (9.4% of FSC paid). The average duration of claims was 11.6 weeks, and the average weekly benefit amount was $141.82 Assuming that the 1982 and 1983 experience was similar to 1984, estimated FSC program payments to Alaska UI claimants were $26 million from 1982 to 1985.

1991 - Emergency Unemployment Compensation (EUC)

The Emergency Unemployment Compensation (EUC) Act of 1991 established the emergency unemployment compensation program. Essentially, EUC temporarily superseded the permanent EB program during the period it was in effect. EUC gave an additional 20 weeks of assistance to claimants who had exhausted their regular benefits, or state supplemental benefits, or EB.

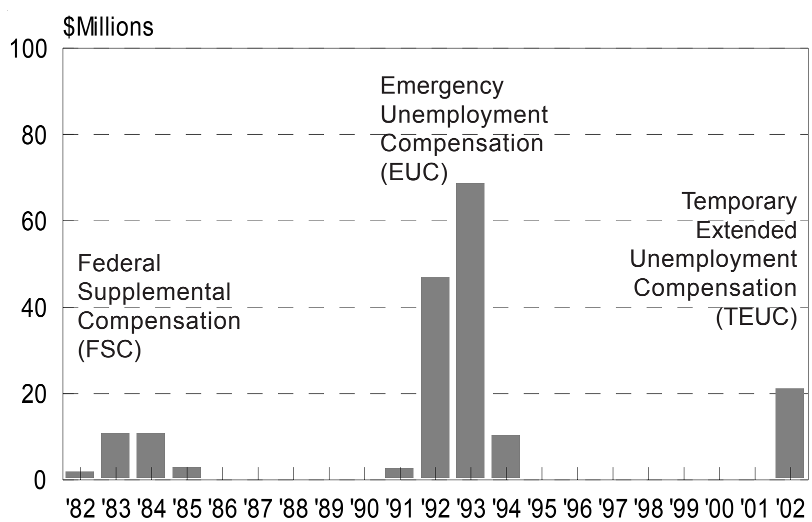
Under the provisions of the EUC program, the governor of Alaska chose to exercise the option of allowing claimants to receive EUC benefits instead of extended benefits. There were two reasons for the decision. First, the cost to the UI trust fund for benefits paid would be less because EUC benefits were to be fully federally funded, whereas more than 50 percent of EB payments come from state funds. The second reason was that the EUC program offered claimants a maximum of 20 weeks payable, while EB offered from eight to thirteen weeks based on the duration of the regular UI claim.

EUC benefits were first payable for the week ending November 23, 1991, and the program continued until the week ending April 30, 1994. Alaska paid out $2.8 million in EUC during its first few weeks in 1991. For 1992, an additional $47.1 million was paid to 20,900 claimants. The greatest activity in the EUC program was in 1993 when $68.7 million was paid in benefits. This substantial figure amounted to 38 percent of all benefit payments that year. During the final year of the EUC program, 1994, another $10.5 million was paid. EUC was responsible for $129 million in benefit payments to claimants who had exhausted their entitlement to regular UI benefits.

2002 – Temporary Extended Unemployment Compensation (TEUC)

In March 2002, Congress created the temporary extended unemployment compensation program (TEUC). At that time it was evident that the labor market had not recovered from the 2001 recession, or the impact of the 9/11 World Trade Center

Federal Supplemental Program 4
Benefit payments, by years in effect



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

attacks. It was noted in October of 2003, that 30 months after the start of the 2001 recession, only 15 states had more jobs than they had when the recession began. Alaska is one of them.

TEUC provides an additional 13 weeks of benefits to persons who have exhausted the regular benefits available to them. The first week payable under TEUC was the week ending March 23, 2002. The original TEUC program expired at the end of 2002, but was extended at the start of 2003 setting the last week payable at April 3, 2004. If an extended benefits period is in effect, claimants must first exhaust their EB entitlement before they can be paid under the TEUC program. Alaska is the only state currently paying extended benefits. During 2002, $21.2 million in TEUC benefits was paid in Alaska, 13.6% of the total.

Summary

The supplemental unemployment insurance programs provide a valuable boost to Alaska during times of higher unemployment. The permanent extended benefits program becomes effective during Alaska's annual period of seasonally higher unemployment rates. During times of national economic downturn, special acts of Congress augment the existing unemployment insurance system. The supplemental programs have brought significant sums into Alaska, providing relief to individual workers, stability to an existing labor force, and economic stimulus to business enterprises.

5 UI Benefit Payments
By program 1992-2002 Alaska

Year	Regular	EB	EUC/TEUC*	SSB	All Programs Total
1992	$128,145,404	$3,801	$47,069,125	$613,796	$175,832,126
1993	110,636,005	579	68,737,851	813,931	180,188,366
1994	123,721,603	15,489,926	10,494,385	304,145	150,010,059
1995	119,152,311	7,508,648	46,043	136,008	126,843,010
1996	118,257,664	7,142,882	15,994	137,013	125,553,553
1997	112,795,464	5,588,037	0	90,726	118,474,227
1998	113,243,432	5,633,577	0	119,680	118,996,689
1999	122,026,178	7,071,703	0	136,217	129,234,098
2000	109,362,642	4,853,730	0	115,354	114,331,726
2001	112,751,856	4,656,951	0	106,195	117,515,002
2002	123,642,067	10,180,936	21,226,533	161,904	155,211,440

* The EUC program expired on April 30, 1994.
The TEUC program began March, 2002.

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

Population

by
J. Gregory Williams
Demographer

Estimates for 2003 show Alaska population has reached 648,818

Alaska's statewide population increased by 3.5% or 21,887 persons for the period April 1, 2000 to July 1, 2003, according to new population estimates released by the Alaska Department of Labor and Workforce Development.

Alaska's growth was slightly faster than the 3.3% growth for the same period for the U.S. as a whole. The number of people living in the state climbed from 626,931 at the census in April 2000 to a provisional July 1, 2003 estimate of 648,818. The average annual rate of change was 0.8% for the 2000-2001 period, 1.4% for the 2001-2002 period and 1.1% for the 2002-2003 period.

In the 2002-2003 period, in-migration fell by about 75 percent from the previous year, to 513, still above the negative numbers for 1999-2000 and 2000-2001. In the recent past, 44 percent of in-migration to Alaska has come from the Pacific and Mountain states and another 27 percent from the South Atlantic and West South Central Regions. The states that contribute the most migrants to Alaska are currently: Washington 10.4%, California 9.0%, Texas 7.3%, and Oregon 4.7%.

In the early 1990s Alaska added about 9,600 persons each year through natural increase, while in 2002-2003, natural increase was only 6,800. This continues the trend of lower birth rates and higher death rates as Alaska's baby boomers age. Net migration (in-migration minus out-migration) accounted for a loss of 117 persons.

Population estimates have also been released for Alaska's 27 boroughs and census areas as well as for 354 places located throughout the state.

Since 2000, the Municipality of Anchorage and the Matanuska-Susitna Borough have accounted for virtually all of the population growth in the state, with Anchorage supplying 62.7% and Mat-Su supplying 37.2%. The increase in both boroughs was due to a mix of natural increase and migration, with most of the migration coming from other parts of Alaska. Mat-Su was the only area of the state whose growth came primarily from in-migration. In-migration (mainly from Anchorage) accounted for 6,471 of Mat-Su's 8,151 population in-crease. Mat-Su has been the fastest growing area of the state since 1990, growing at an average rate of about 4.0%.

Most of Alaska's boroughs and census areas have grown slowly or lost population since 2000. (See Exhibit 1.) The largest increases in population occurred in the Municipality of Anchorage (+13,720), Mat-Su Borough (+8,151), Kenai Peninsula Borough (+1,529), Bethel Census Area (+728) and the Juneau City and Borough (+572).

Most of the other boroughs and census areas experienced out-migration or remained unchanged. The only boroughs to have noticeable net in-migration were Mat-Su Borough, Anchorage Municipality and Kenai Peninsula Borough. The Southeast region continued to have the largest overall decline, with a loss from net migration exceeding natural increase. Only Juneau and Sitka had small population growth.

Migration out of Southwestern Alaska and the Northern Region was less than natural increase in the regions. In the Gulf Coast, Kodiak again had more out migration than natural increase and Valdez-Cordova gained slightly, due to natural increase slightly greater than the net migration loss.

In the Interior, Fairbanks North Star Borough and the Southeast Fairbanks and Yukon Koyukuk census areas all shrank due to net migration. The Denali Borough had a slight increase in population.

These population estimates are available on the Research and Analysis Internet site at: http://www.almis.labor.state.ak.us under Population Information.

1 Alaska Population by Area
1990–2003

Area Name	DOLWD Provisional Estimate 2003	DOLWD Revised Estimate 2002	DOLWD Revised Estimate 2001	April 1 Census 2000	April 1 Census 1990	Change 2000-2003	Change 1990-2000	Average Annual Rate of Change 2000-2003	Average Annual Rate of Change 1990-2000	Natural Increase 4/1/00-6/30/03	Net Migration 4/1/00-6/30/03
Alaska	648,818	641,482	632,674	626,931	550,043	21,887	76,888	1.1	1.3	22,356	-469
Anchorage Mat-Su Region	341,476	333,031	325,824	319,605	266,021	21,871	53,584	2.0	1.8	11,305	10,566
Anchorage Municipality	274,003	268,738	264,052	260,283	226,338	13,720	33,945	1.6	1.4	9,625	4,095
Matanuska-Susitna Borough	67,473	64,293	61,772	59,322	39,683	8,151	19,639	4.0	4.0	1,680	6,471
Gulf Coast Region	75,261	74,259	73,804	73,799	64,063	1,462	9,736	0.6	1.4	1,926	-464
Kenai Peninsula Borough	51,220	50,486	50,051	49,691	40,802	1,529	8,889	0.9	2.0	1,085	444
Kodiak Island Borough	13,811	13,664	13,623	13,913	13,309	-102	604	-0.2	0.4	574	-676
Valdez-Cordova CA	10,230	10,109	10,130	10,195	9,952	35	243	0.1	0.2	267	-232
Interior Region	96,397	99,055	98,119	97,417	92,111	-1,020	5,306	-0.3	0.6	4,228	-5,248
Denali Borough	1,914	1,884	1,908	1,893	1,764	21	129	0.3	0.7	54	-33
Fairbanks North Star Bor.	82,214	84,859	83,774	82,840	77,720	-626	5,120	-0.2	0.6	3,866	-4,492
Southeast Fairbanks CA	5,922	5,941	5,916	6,174	5,913	-252	261	-1.3	0.4	177	-429
Yukon Koyukuk CA	6,347	6,371	6,521	6,510	6,714	-163	-204	-0.8	-0.3	131	-294
Northern Region	23,905	23,840	23,735	23,789	20,380	116	3,409	0.1	1.5	1,253	-1,137
Nome Census Area	9,370	9,353	9,307	9,196	8,288	174	908	0.6	1.0	467	-293
North Slope Borough	7,234	7,246	7,265	7,385	5,979	-151	1,406	-0.6	2.1	405	-556
Northwest Arctic Borough	7,301	7,241	7,163	7,208	6,113	93	1,095	0.4	1.6	381	-288
Southeast Region	71,841	71,935	72,128	73,082	68,989	-1,241	4,093	-0.5	0.6	1,643	-2,884
Haines Borough	2,327	2,362	2,380	2,392	2,117	-65	275	-0.8	1.2	4	-69
Juneau City and Borough	31,283	30,940	30,551	30,711	26,751	572	3,960	0.6	1.4	874	-302
Ketchikan Gateway Borough	13,548	13,697	13,851	14,059	13,828	-511	231	-1.1	0.2	270	-781
Prince of Wales-Outer Ketchikan	5,601	5,690	5,832	6,157	6,278	-556	-121	-2.9	-0.2	152	-708
Sitka City and Borough	8,891	8,812	8,804	8,835	8,588	56	247	0.2	0.3	238	-182
Skagway-Hoonah-Angoon CA	3,164	3,243	3,390	3,436	3,680	-272	-244	-2.5	-0.7	31	-303
Wrangell-Petersburg CA	6,336	6,471	6,621	6,684	7,042	-348	-358	-1.6	-0.5	63	-411
Yakutat City and Borough	691	720	699	808	705	-117	103	-4.8	1.4	11	-128
Southwest Region	39,938	39,362	39,064	39,239	38,479	699	760	0.5	0.2	2,001	-1,302
Aleutians East Borough	2,700	2,732	2,554	2,697	2,464	3	233	0.0	0.9	36	-33
Aleutians West CA	5,420	5,075	5,263	5,465	9,478	-45	-4,013	-0.3	-5.4	71	-116
Bethel Census Area	16,774	16,529	16,184	16,046	13,656	728	2,390	1.4	1.6	1,084	-356
Bristol Bay Borough	1,105	1,165	1,179	1,258	1,410	-153	-152	-4.0	-1.1	31	-184
Dillingham Census Area	4,912	4,920	4,913	4,922	4,012	-10	910	-0.1	2.0	195	-205
Lake and Peninsula Bor.	1,628	1,637	1,741	1,823	1,668	-195	155	-3.5	0.9	18	-213
Wade Hampton CA	7,399	7,304	7,230	7,028	5,791	371	1,237	1.6	1.9	566	-195

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

Economy Adds 5,100 Jobs over the Year

Health care leads the way

Alaska Employment Scene

by
Dan Robinson
Labor Economist

Preliminary December estimates indicate that the health care industry continued to lead the way in employment growth through the end of 2003. Overall, the state added 5,100 jobs from December 2002 to December 2003 for a growth rate of 1.8%. Among the 50 states, only Nevada and Arizona added a higher percentage of jobs as the nation continued to show only slow employment growth following the end of the recession.

Natural Resources & Mining

Of the state's eleven economic sectors, this one fared the worst in the December to December comparison. The oil and gas industry, which makes up more than 80 percent of the sector, provided 600 fewer jobs at the end of 2003 than a year earlier. Metal ore mining continued to maintain a consistent 1,400 to 1,500 jobs through 2003. Logging employment increased slightly, although at 400 jobs the level is about one-fourth as high as in the early 1990s.

Construction

It was another good year for the construction industry, with December estimates showing an over-the-year increase of about 300 jobs. Residential construction was strong, federal spending on missile defense and military base infrastructure brought money and jobs, and 2003 was the fourth consecutive year Alaska received more than $300 million in federal highway funds.

Manufacturing

Alaska was one of only four states in the country with more manufacturing jobs in December 2003 than in December 2002. The state's dominant manufacturing industry during most of the year is seafood processing, but December is its low point. Alaska also has three to four thousand manufacturing jobs that are far less seasonal such as those in sawmills, refineries, and structural metal manufacturers, among others.

Trade, Transportation & Utilities

More than 20 percent of the state's jobs were in this sector in December. Retail trade made up the largest portion and added 700 of the sector's 800 new jobs. Employment in transportation and utilities was down slightly.

Information

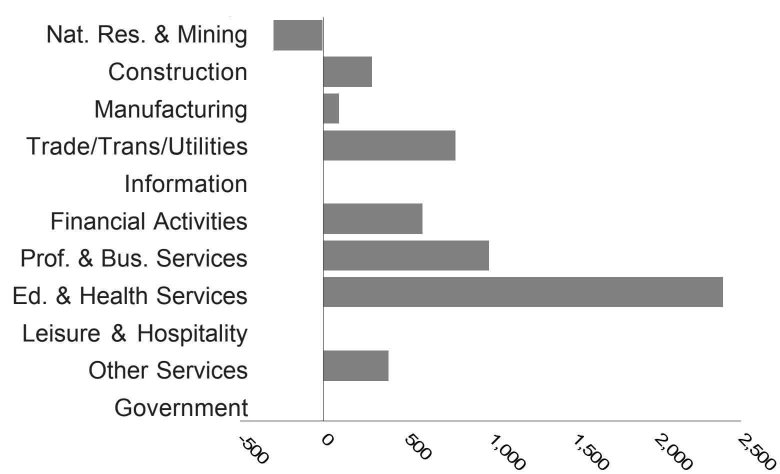
The telecommunications industry held steady after suffering losses in recent years. The state's publishing and broadcasting industries followed suit, resulting in no net change in jobs within this sector from December 2002 to December 2003.

Financial Activities

In a year marked by record low interest rates, banks and financial institutions did brisk business.

(continued on page 22)

Jobs Added or Lost 1
December 2002–December 2003



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

2 Nonfarm Wage and Salary Employment
By place of work

Alaska	preliminary 12/03	revised 11/03	12/02	Changes from: 11/03	12/02
Total Nonfarm Wage & Salary[1]	**292,500**	**294,900**	**287,400**	**-2,400**	**5,100**
Goods Producing	30,300	33,000	30,300	-2,700	0
Services Providing	262,200	261,800	257,000	400	5,200
Natural Resources & Mining	**9,600**	**9,800**	**9,900**	**-200**	**-300**
Logging	400	600	300	-200	100
Mining	9,200	9,200	9,900	0	-700
Oil & Gas	7,800	7,700	8,400	100	-600
Construction	**14,400**	**15,800**	**14,100**	**-1,400**	**300**
Manufacturing	**6,400**	**7,400**	**6,300**	**-1,000**	**100**
Wood Products Manufacturing	300	300	300	0	0
Seafood Processing	2,500	3,500	2,600	-1,000	-100
Trade, Transportation, Utilities	**60,500**	**60,700**	**59,700**	**-200**	**800**
Wholesale Trade	6,200	6,300	6,000	-100	200
Retail Trade	34,700	34,700	34,000	0	700
Food & Beverage Stores	5,900	6,000	5,600	-100	300
General Merchandise Stores	9,300	9,400	9,700	-100	-400
Trans/Warehousing/Utilities	19,600	19,800	19,700	-200	-100
Air Transportation	5,700	5,700	5,500	0	200
Truck Transportation	2,600	2,600	2,500	0	100
Information	**7,200**	**7,200**	**7,200**	**0**	**0**
Telecommunications	4,200	4,300	4,200	-100	0
Financial Activities	**14,100**	**13,900**	**13,500**	**200**	**600**
Professional & Business Svcs	**23,700**	**23,600**	**22,700**	**100**	**1,000**
Educational & Health Services	**33,200**	**32,700**	**30,800**	**500**	**2,400**
Health Care/Social Assistance	31,000	30,600	28,700	400	2,300
Ambulatory Health Care	13,000	13,000	12,400	0	600
Hospitals	8,500	8,200	7,500	300	1,000
Leisure & Hospitality	**27,200**	**27,300**	**27,200**	**-100**	**0**
Accommodation	6,500	6,400	5,900	100	600
Food Svcs & Drinking Places	17,300	17,100	16,600	200	700
Other Services	**12,800**	**12,800**	**12,400**	**0**	**400**
Government[2]	**83,600**	**83,500**	**83,600**	**100**	**0**
Federal Government[3]	17,300	17,100	17,400	200	-100
State Government	24,200	24,400	24,000	-200	200
Local Government	42,100	42,000	42,100	100	0
Tribal Government	3,600	3,700	3,600	-100	0

Municipality of Anchorage	preliminary 12/03	revised 11/03	12/02	Changes from: 11/03	12/02
Total Nonfarm Wage & Salary[1]	**147,500**	**147,400**	**144,200**	**100**	**3,300**
Goods Producing	11,900	12,500	11,600	-600	300
Services Providing	135,600	134,900	132,600	700	3,000
Natural Resources & Mining	**2,500**	**2,400**	**2,600**	**100**	**-100**
Mining	2,300	2,200	2,600	100	-300
Oil & Gas	2,200	2,000	2,500	200	-300
Construction	**7,500**	**8,100**	**7,000**	**-600**	**500**
Manufacturing	**1,800**	**2,000**	**1,900**	**-200**	**-100**
Trade, Transportation, Utilities	**33,700**	**33,600**	**33,300**	**100**	**400**
Wholesale Trade	4,700	4,700	4,600	0	100
Retail Trade	18,400	18,300	18,200	100	200
Food & Beverage Stores	2,400	2,400	2,300	0	100
General Merchandise Stores	4,600	4,500	4,600	100	0
Trans/Warehousing/Utilities	10,600	10,600	10,500	0	100
Air Transportation	3,200	3,200	3,200	0	0
Information	**4,800**	**4,700**	**4,700**	**100**	**100**
Telecommunications	2,700	2,700	2,700	0	0
Financial Activities	**8,800**	**8,700**	**8,300**	**100**	**500**
Professional & Business Svcs	**17,800**	**17,800**	**17,400**	**0**	**400**
Educational & Health Services	**18,000**	**17,800**	**16,600**	**200**	**1,400**
Health Care/Social Assistance	16,300	16,300	15,200	0	1,100
Ambulatory Health Care	7,100	7,000	6,500	100	600
Hospitals	5,000	4,900	4,700	100	300
Leisure & Hospitality	**15,100**	**15,000**	**14,600**	**100**	**500**
Accommodation	3,000	2,900	2,900	100	100
Food Svcs & Drinking Places	10,200	10,200	10,000	0	200
Other Services	**6,400**	**6,300**	**6,300**	**100**	**100**
Government[2]	**31,100**	**30,900**	**31,300**	**200**	**-200**
Federal Government[3]	9,800	9,700	10,000	100	-200
State Government	9,800	9,900	9,900	-100	-100
Local Government	11,500	11,400	11,400	100	100
Tribal Government	300	300	300	0	0

Notes to Exhibits 2, 3, 4, & 6—*[1]Nonfarm excludes self-employed workers, fishermen, domestics, and unpaid family workers as well as agricultural workers.*
[2]Includes employees of public school systems and the University of Alaska.
[3]Excludes uniformed military.
Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.
Exhibits 4 & 6—Prepared in part with funding from the Employment Security Division.

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

3 Hours and Earnings
For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 12/03	revised 11/03	revised 12/02	preliminary 12/03	revised 11/03	revised 12/02	preliminary 12/03	revised 11/03	revised 12/02
Mining	$1,214.32	$1,346.76	$1,212.63	40.9	42.7	41.5	$29.69	$31.54	$29.22
Construction	1,098.08	1,080.11	1,115.97	39.4	37.7	39.7	27.87	28.65	28.11
Manufacturing	521.10	449.88	459.04	38.6	33.3	30.2	13.50	13.51	15.20
Seafood Processing	605.94	345.93	351.89	47.9	28.9	29.3	12.65	11.97	12.01
Trade, Transportation, Utilities	532.34	544.60	526.51	34.3	35.0	33.6	15.52	15.56	15.67
Retail Trade	452.59	444.21	455.98	33.6	33.5	32.5	13.47	13.26	14.03
Financial Activities	632.27	689.85	714.42	34.4	36.5	37.9	18.38	18.90	18.85

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 2002
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

4 Nonfarm Wage and Salary Employment

By place of work

Fairbanks North Star Borough

	preliminary 12/03	revised 11/03	12/02	Changes from: 11/03	12/02
Total Nonfarm Wage & Salary[1]	34,350	34,750	34,050	-400	300
Goods Producing	3,200	3,500	3,150	-300	50
Services Providing	31,150	31,250	30,850	-100	300
Natural Resources & Mining	850	850	800	0	50
Mining	850	850	800	0	50
Construction	1,850	2,150	1,850	-300	0
Manufacturing	500	500	500	0	0
Trade, Transportation, Utilities	6,700	6,700	6,800	0	-100
Retail Trade	4,050	4,050	4,150	0	-100
General Merchandise Stores	1,050	1,050	1,150	0	-100
Trans/Warehousing/Utilities	2,100	2,100	2,150	0	-50
Air Transportation	850	850	850	0	0
Information	600	600	550	0	50
Financial Activities	1,300	1,300	1,300	0	0
Professional & Business Svcs	1,750	1,750	1,700	0	50
Educational & Health Services	3,650	3,600	3,550	50	100
Health Care/Social Assistance	3,450	3,400	3,300	50	150
Leisure & Hospitality	3,550	3,550	3,400	0	150
Accommodation	850	850	750	0	100
Food Svcs & Drinking Places	2,300	2,300	2,300	0	0
Other Services	1,850	1,900	1,950	-50	-100
Government[2]	11,850	11,850	11,650	0	200
Federal Government[3]	3,350	3,350	3,400	0	-50
State Government	5,300	5,300	5,000	0	300
Local Government	3,200	3,200	3,250	0	-50
Tribal Government	0	0	0	0	0

Southeast Region

	preliminary 12/03	revised 11/03	12/02	Changes from: 11/03	12/02
Total Nonfarm Wage & Salary[1]	33,250	33,900	33,000	-650	250
Goods Producing	2,750	3,450	2,700	-700	50
Services Providing	30,500	30,500	30,300	0	200
Natural Resources & Mining	550	700	500	-150	50
Logging	250	350	200	-100	50
Mining	300	300	300	0	0
Construction	1,350	1,500	1,350	-150	0
Manufacturing	850	1,250	850	-400	0
Wood Products Mfg.	150	150	150	0	0
Seafood Processing	500	800	500	-300	0
Trade, Transportation, Utilities	6,300	6,250	6,300	50	0
Retail Trade	4,000	4,000	3,950	0	50
Trans/Warehousing/Utilities	1,850	1,850	1,900	0	-50
Information	500	500	500	0	0
Financial Activities	1,250	1,250	1,200	0	50
Professional & Business Svcs	1,350	1,350	1,350	0	0
Educational & Health Services	3,600	3,600	3,500	0	100
Health Care/Social Assistance	3,400	3,350	3,250	50	150
Leisure & Hospitality	2,800	2,800	2,800	0	0
Accommodation	950	950	900	0	50
Food Svcs & Drinking Places	1,400	1,450	1,400	-50	0
Other Services	1,150	1,150	1,150	0	0
Government[2]	13,600	13,650	13,600	-50	0
Federal Government[3]	2,000	2,000	1,950	0	50
State Government	5,450	5,550	5,450	-100	0
Local Government	6,150	6,100	6,200	50	-50
Tribal Government	550	550	550	0	0

Interior Region

	preliminary 12/03	revised 11/03	12/02	Changes from: 11/03	12/02
Total Nonfarm Wage & Salary[1]	39,500	40,050	39,350	-550	150
Goods Producing	3,450	3,800	3,400	-350	50
Services Providing	36,050	36,250	35,950	-200	100
Natural Resources & Mining	950	950	900	0	50
Mining	950	950	900	0	50
Construction	1,950	2,250	1,950	-300	0
Manufacturing	500	550	550	-50	-50
Trade, Transportation, Utilities	7,350	7,450	7,450	-100	-100
Information	800	800	750	0	50
Financial Activities	1,350	1,350	1,350	0	0
Professional & Business Svcs	1,800	1,950	1,700	-150	100
Educational & Health Services	3,900	3,800	3,700	100	200
Leisure & Hospitality	4,100	4,100	3,950	0	150
Accommodation	1,000	1,050	900	-50	100
Food Svcs & Drinking Places	2,650	2,650	2,600	0	50
Other Services	2,050	2,200	2,100	-150	-50
Government[2]	14,750	14,650	14,900	100	-150
Federal Government[3]	4,000	3,850	4,250	150	-250
State Government	5,500	5,550	5,400	-50	100
Local Government	5,300	5,300	5,300	0	0
Tribal Government	250	250	200	0	50

Anchorage/Mat-Su Region

	preliminary 12/03	revised 11/03	12/02	Changes from: 11/03	12/02
Total Nonfarm Wage & Salary[1]	163,500	163,350	158,850	150	4,650
Goods Producing	13,550	14,200	13,000	-650	550
Services Providing	149,950	149,150	145,850	800	4,100
Natural Resources & Mining	2,600	2,500	2,700	100	-100
Construction	8,850	9,550	8,200	-700	650
Manufacturing	2,100	2,150	2,100	-50	0
Trade, Transportation, Utilities	37,650	37,650	37,050	0	600
Information	5,200	5,100	5,150	100	50
Financial Activities	9,500	9,450	8,800	50	700
Professional & Business Svcs	18,700	18,700	18,100	0	600
Educational & Health Services	20,100	19,900	18,600	200	1,500
Leisure & Hospitality	16,650	16,500	16,250	150	400
Other Services	7,200	7,150	6,750	50	450
Government[2]	34,950	34,750	35,100	200	-150
Federal Government[3]	10,000	9,900	10,150	100	-150
State Government	10,750	10,800	10,800	-50	-50
Local Government	14,150	14,050	14,150	100	0
Tribal Government	350	350	350	0	0

Gulf Coast Region

	preliminary 12/03	revised 11/03	12/02	Changes from: 11/03	12/02
Total Nonfarm Wage & Salary[1]	24,900	25,450	25,200	-550	-300
Goods Producing	3,850	4,150	4,300	-300	-450
Services Providing	21,050	21,300	20,900	-250	150
Natural Resources & Mining	1,050	1,100	1,350	-50	-300
Oil & Gas Extraction	1,000	1,000	1,250	0	-250
Construction	1,300	1,400	1,300	-100	0
Manufacturing	1,500	1,650	1,600	-150	-100
Seafood Processing	800	1,000	950	-200	-150
Trade, Transportation, Utilities	5,000	5,000	5,050	0	-50
Retail Trade	3,100	3,100	3,150	0	-50
Trans/Warehousing/Utilities	1,650	1,700	1,650	-50	0
Information	450	450	450	0	0
Financial Activities	800	800	850	0	-50
Professional & Business Svcs	1,400	1,400	1,350	0	50
Educational & Health Services	2,000	2,000	1,900	0	100
Health Care/Social Assistance	1,950	1,950	1,800	0	150
Leisure & Hospitality	2,700	2,850	2,600	-150	100
Accommodation	900	950	850	-50	50
Food Svcs & Drinking Places	1,550	1,600	1,500	-50	50
Other Services	1,300	1,300	1,400	0	-100
Government[2]	7,400	7,500	7,300	-100	100
Federal Government[3]	800	800	750	0	50
State Government	1,700	1,700	1,600	0	100
Local Government	4,950	5,000	4,950	-50	0
Tribal Government	350	350	350	0	0

5 Unemployment Rates
By region and census area

Not Seasonally Adjusted*	preliminary 12/03	revised 11/03	12/02
United States	**5.4**	**5.6**	**5.7**
Alaska Statewide	**8.0**	**7.3**	**8.6**
Anchorage/Mat-Su Region	**5.9**	**5.5**	**6.6**
Municipality of Anchorage	5.2	5.0	5.8
Mat-Su Borough	8.9	7.8	10.1
Gulf Coast Region	**14.1**	**12.5**	**14.9**
Kenai Peninsula Borough	13.5	11.8	14.7
Kodiak Island Borough	16.9	15.5	15.1
Valdez-Cordova	12.5	11.5	15.4
Interior Region	**8.1**	**7.3**	**8.8**
Denali Borough	16.3	15.5	15.5
Fairbanks North Star Borough	7.0	6.4	7.7
Southeast Fairbanks	13.9	11.8	16.4
Yukon-Koyukuk	16.9	15.5	18.4
Northern Region	**14.9**	**14.5**	**13.9**
Nome	14.4	13.9	13.8
North Slope Borough	13.7	14.2	10.9
Northwest Arctic Borough	17.1	15.9	18.2
Southeast Region	**9.5**	**8.1**	**9.4**
Haines Borough	14.5	12.9	16.2
Juneau Borough	6.9	6.4	6.4
Ketchikan Gateway Borough	9.2	8.4	10.4
Prince of Wales-Outer Ketchikan	15.2	11.9	14.5
Sitka Borough	9.0	7.0	7.8
Skagway-Hoonah-Angoon	15.4	12.8	13.5
Wrangell-Petersburg	13.4	9.6	13.9
Yakutat Borough	16.2	12.4	15.3
Southwest Region	**15.0**	**13.7**	**14.9**
Aleutians East Borough	7.6	4.9	6.7
Aleutians West	12.1	10.8	12.7
Bethel	15.9	14.9	15.0
Bristol Bay Borough	13.8	12.3	12.6
Dillingham	12.6	12.4	14.5
Lake & Peninsula Borough	19.9	15.6	16.5
Wade Hampton	22.7	21.9	23.6
Seasonally Adjusted			
United States	5.7	5.9	6.0
Alaska Statewide	7.7	7.5	8.4

2002 Benchmark
Comparisons between different time periods are not as meaningful as other time series produced by Research and Analysis. The official definition of unemployment currently in place excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. They are considered not in the labor force.

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

(continued from page 19)

Low interest rates also contributed to a strong year in real estate employment.

Professional & Business Services
With 1,000 more jobs than a year earlier, this sector's growth was second only to health care. A substantial number of the new jobs were in architectural, engineering, and design services related to the construction industry.

Educational & Health Services
Health and social services jobs provided nearly all of this sector's strong growth, which shows no signs of slowing. Health care/social assistance grew 8 percent over the year.

Leisure & Hospitality
This sector sees large seasonal swings and December is a low employment month. Summer job counts were up in hotels and restaurants, but the year-to-year December comparison showed no change.

Other Services
This catch-all sector includes everything from automotive repair and laundry services to beauty salons and parking garages. The biggest employers are religious, civic, and social organizations. Over-the-year growth was strong.

Government
The combined total of federal, state, and local government employment was about the same at the end of 2003 as it had been a year earlier. All three groups were relatively flat in a year when budgets, especially state and local, were a major topic of discussion.

6 Nonfarm Wage/Salary Employment
By place of work

Northern Region	preliminary 12/03	revised 11/03	12/02	Changes from: 11/03	12/02
Total Nonfarm Wage & Salary[1]	15,550	15,400	15,900	150	-350
Goods Producing	4,850	4,800	5,300	50	-450
Services Providing	10,700	10,600	10,600	100	100
Oil & Gas Extraction	4,150	4,100	4,350	50	-200
Government[2]	5,250	5,200	5,200	50	50
Federal Government[3]	200	150	150	50	50
State Government	350	350	350	0	0
Local Government	4,750	4,700	4,700	50	50
Tribal Government	550	550	500	0	50

Southwest Region	12/03	11/03	12/02	11/03	12/02
Total Nonfarm Wage & Salary[1]	15,600	16,400	15,400	-800	200
Goods Producing	1,300	1,850	1,300	-550	0
Services Providing	14,300	14,550	14,100	-250	200
Seafood Processing	1,100	1,650	1,050	-550	50
Government[2]	7,600	7,700	7,650	-100	-50
Federal Government[3]	400	400	350	0	50
State Government	550	550	550	0	0
Local Government	6,700	6,750	6,750	-50	-50
Tribal Government	1,400	1,450	1,550	-50	-150

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

Employer Resources

The Workers' Compensation Division is the administrative arm of the Workers' Compensation Board. Its basic purpose is to ensure that Alaska workers who suffer injury or disease from their employment receive medical care and cash wage benefits during disablement through their employers or their employers' insurance companies. Go to: http://www.labor.state.ak.us/employer/employer.htm and click on "Workers' Compensation" for more information.