

ALASKA ECONOMIC **TRENDS**

MARCH 2009

Alaska's Residential Foreclosures

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Alaska's Workplace Fatalities

Work-related deaths decline

Employment Scene

Job growth continues in Alaska



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Sarah Palin, Governor
Commissioner Click Bishop

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March 2009
Volume 29
Number 3
ISSN 0160-3345

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Alaska Economic Trends is a monthly publication dealing with a wide variety of economic-related issues in the state. Its purpose is to inform the public about those issues.

Alaska Economic Trends is funded by the Employment Security Division and is published by the Alaska Department of Labor and Workforce Development.

Alaska Economic Trends is printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$1.16 per copy.

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Cover: The photo is courtesy of the U.S. Department of Housing and Urban Development.

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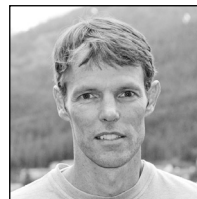
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Alaska's Foreclosures Third-Lowest in the Nation

By Governor Sarah Palin

This month's *Trends* focuses on foreclosures in Alaska's residential housing market and workplace safety.

Alaskans faced 1,131 foreclosures in 2008. Although that was a 36 percent increase over 2007, Alaska's foreclosure rate of 0.88 percent was the third-lowest rate in the nation in 2008. Compared to Alaska's record 1988 high of 6,821 foreclosures and compared to the numbers now occurring in the rest of the nation, Alaska's housing market remains strong.

Because of high standards in lending practices and the absence of speculative buying and selling, Alaska is in an enviable position compared to the Lower 48, with a solid housing market and low foreclosure rate.

For more than 60 years, our state housing agency, the Alaska Housing Finance Corporation, and its predecessor, the Alaska State Housing Authority, have provided affordable housing programs for Alaskans. AHFC is recognized nationally for its low-interest loans to first-time homebuyers and veterans so they can buy new or existing energy-efficient homes.

Those loans, coupled with last year's investment of \$360 million for weatherization and home energy rebate programs, provide Alaskans with multiple options to improve the energy efficiency of their homes. For more information about AHFC or its programs, call (907) 330-8447, or go online at www.ahfc.us. To participate in the energy rebate program, go to www.akrebate.com or call (877) 325-2508 (877-AKREBATE).

Keeping Alaska's workplaces safer

Workplace fatalities are near a record low in Alaska – 30 in 2007 compared to 91 in 1992. Fatal injuries occurred most often in high-risk occupations such as forestry, fishing and transportation.

But even one death is one too many, and we will continue to strive for zero workplace fatalities. One program that's helping is the Alaska Department of Labor and Workforce Development's Occupational Safety and Health Voluntary Protection Program. It recognizes and promotes effective workplace safety and health management through cooperation between a company's management, its employees and AKOSH.

Companies that qualify for VPP show they're committed to safety at all levels in their organization, with a strong commitment from senior management, down to individual employees who take safety as a personal responsibility.

Additional benefits of excellent safety performance include improved productivity, lower workers' compensation costs and improved employee morale.

There are now 15 sites in Alaska with the VPP designation. For a listing of the sites and more information about the program, go to labor.alaska.gov/lss/vpp-participants.html.

Alaska's foreclosure rates – at a 15-year high – are still much lower than the nation's

Housing experts across the nation are comparing current housing woes and foreclosure rates to those of the Great Depression. But you don't have to be an octogenarian to remember such hard times for the Alaska housing market. The recent spate of foreclosures in the national headlines may remind a few sourdoughs of the late 1980s bust in Alaska when jobs were slashed, entire residential blocks were turned over to the banks and more than 8 percent of the state's population fled to the Lower 48.

The national credit collapse will ripple through the Alaska economy in unpredictable ways, but despite weaknesses in other markets around the country, Alaska's housing market has so far

shown resilience compared to the nation as a whole by many indicators, particularly foreclosure rates. Alaska foreclosure rates have remained low compared to the nation's, owing to the health of the state's housing market and its economy as a whole.

The Alaska Department of Labor and Workforce and Development collects foreclosure data based on public records. An analysis of the numbers dating back to 1980 revealed that there were 1,131 foreclosures in Alaska in 2008, a 36 percent increase from 2007.

The increase in the number of foreclosures in 2008 was largely driven by the Anchorage and Palmer Recording Districts. (See Exhibit 1.) The Anchorage Recording District¹ had 458 foreclosures in 2008, 152 more foreclosures than in 2007. The Palmer Recording District² had 275 foreclosures in 2008, 88 more than 2007.

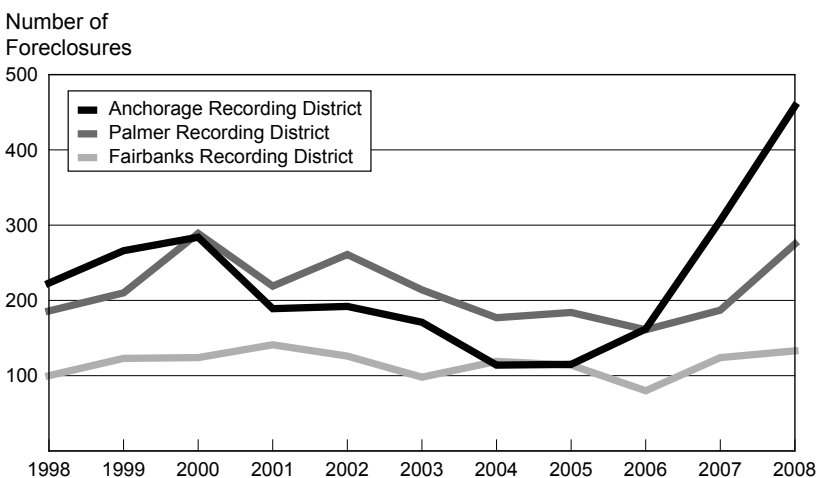
Outside Southcentral Alaska, the foreclosure picture is prettier. The Fairbanks Recording District³ had only nine more foreclosures in 2008 than the prior year. The Juneau Recording District had only one more foreclosure in

¹ The Anchorage Recording District encompasses the Municipality of Anchorage as well as Whittier and the west side of Cook Inlet. The Alaska Department of Natural Resources Recorder's Office uses recording districts for geographic designations. Recording districts don't correspond perfectly to boroughs and census areas. For more information about recording districts, go to the Recorder's Office Web site at dnr.alaska.gov/ssd/recoff/findYourDistrict.cfm.

² The Palmer Recording District includes the most populous areas of the Matanuska-Susitna Borough, but excludes the area north of Willow.

³ The Fairbanks Recording District includes the Fairbanks North Star Borough as well as much of the Yukon flats area and communities on the Alaska Highway.

1 Anchorage Leads in Foreclosures Palmer Recording District second-highest



Sources: Alaska Department of Natural Resources, Recorder's Office; Alaska Department of Labor and Workforce Development, Research and Analysis Section

2008 than it did the year before. The number of foreclosures fell in 2008 in the Kenai,⁴ Ketchikan and Kodiak Recording Districts.

A historical perspective

A review of historical data suggests that foreclosures in Alaska have been increasing in recent years. From 2006, the lowest year on record, to 2007, the number of foreclosures statewide grew 38 percent. From 2007 to 2008 foreclosures climbed another 36 percent to a 15-year high of 1,131.

While that's a considerable increase in just two years, it's relatively small compared to the spike in activity in the mid-1980s. (See Exhibit 2.) The number of foreclosures doubled between 1984 and 1985 and continued to swell over the next few years, ultimately reaching a record high in 1988 at 6,821 foreclosures.

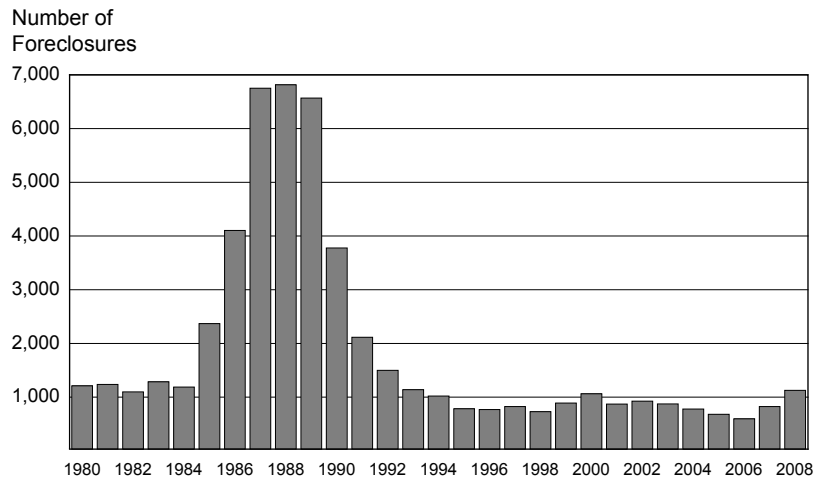
From 1980 to 1985, even amidst a national recession, Alaska's economy and population surged. (See Exhibit 3.) Driven by the same high oil prices that weighed heavily on the Lower 48 economy, jobs multiplied and wages soared in Alaska even as they fell in the rest of the country. (See Exhibit 4.)

State programs, in response to crippling interest rates and a national recession, subsidized interest rates and eliminated income requirements for mortgages. Alaskans were buying homes at a record pace despite rising prices and double-digit interest rates. (See Exhibit 5.) More than 36,000 homes were built in urban Alaska be-

Alaska Residential Foreclosures

A historical perspective, 1980 to 2008

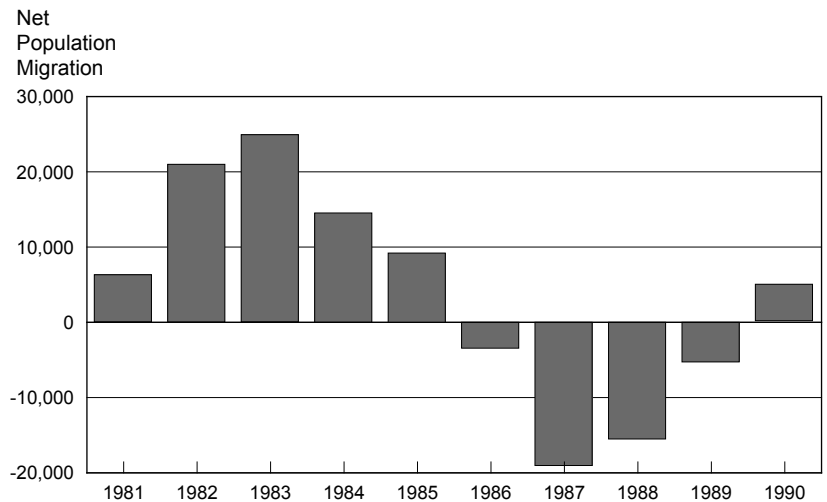
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Boom and Bust

Alaska's population, 1981 to 1990

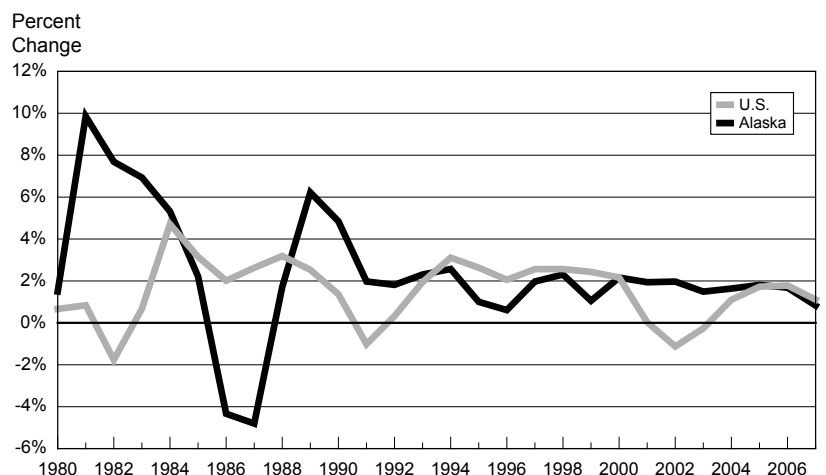
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Payroll Employment Growth

Alaska and U.S., 1980 to 2007

4



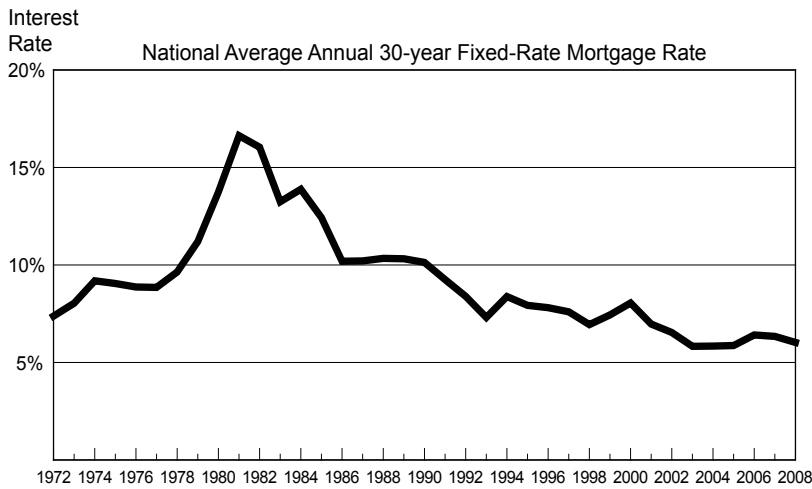
⁴ The Kenai Recording District includes Soldotna.

Sources for Exhibit 2:
Alaska Department of Natural Resources, Recorder's Office;
Alaska Department of Labor and Workforce Development,
Research and Analysis Section

Source for Exhibit 3:
Alaska Department of Labor and Workforce Development,
Research and Analysis Section, Demographics Unit

Sources for Exhibit 4:
U.S. Department of Labor, Bureau of Labor Statistics;
Alaska Department of Labor and Workforce Development,
Research and Analysis Section

5 Cost of Borrowing is Falling 1972 to 2008



tween 1980 and 1985 and prices still increased more than 50 percent during that period.

The tide began to change in 1985 when state government spending slowed. The price of oil took a nosedive in 1986 and the boom of the first half of the decade quickly turned into a bust. State spending had been a major component of the job growth of the first part of the decade, and when revenues declined, the state had no options but to cut jobs and reduce spending. (See Exhibit 6.) More than 20,000 public- and private-sector jobs were lost between 1986 and 1987.

The construction boom was suddenly a housing glut. By the end of 1987, there were 14,000 empty housing units in Anchorage alone. Many of the thousands of new homeowners hadn't had time to build equity on their homes and, when home prices plummeted, they found themselves with loan amounts that exceeded their property values.

There were more than 26,000 residential foreclosures filed during the last half of the decade. Rampant defaults resulted in lending institutions owning an unprecedented number of Alaska homes. Alaska Housing Finance Corporation alone held 2 percent of the state's total housing stock in its inventories by 1989. It took well into the 1990s for the housing market to stabilize.

It's possible that the lessons learned from the upheaval in the last part of the 1980s may have played a role in keeping Alaska's housing market out of the current national mire.

Better than the Lower 48

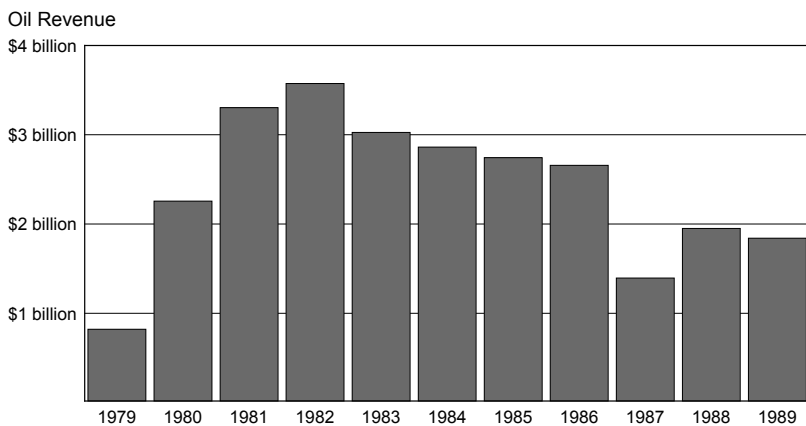
Speculative construction, no-limit home loans, purchasing frenzies and soaring prices are all

Source for Exhibit 5:
Freddie Mac Primary Mortgage Market Survey

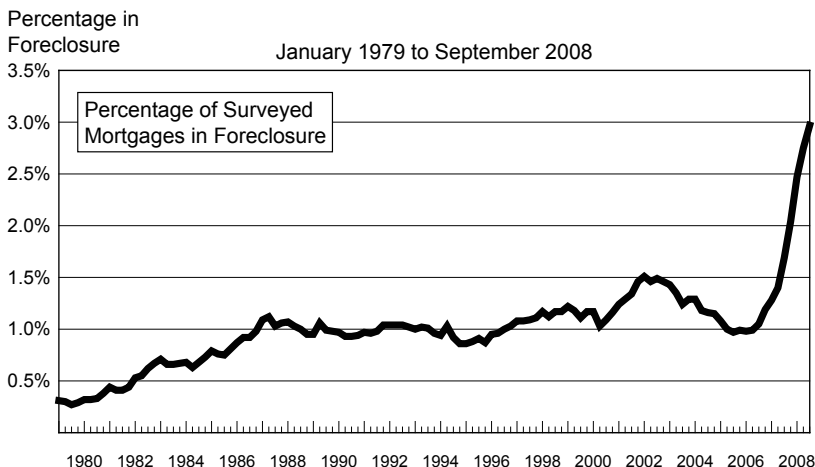
Source for Exhibit 6:
Alaska Department of Revenue, Tax Division

Source for Exhibit 7:
Mortgage Bankers Association, National Delinquency Survey

6 Oil Drives 1980's Economy Total state oil revenue, 1979 to 1989



7 U.S. Foreclosures at Record High National foreclosure rate, 1979 to 2008



Alaska Has Third-Lowest Foreclosure Rate

The 50 states and District of Columbia, third quarter 2008



Rank		Number of Loans Surveyed	Percentage of Surveyed Mortgages in Foreclosure	Rank		Number of Loans Surveyed	Percentage of Surveyed Mortgages in Foreclosure
1	Wyoming	69,556	0.63%	27	South Carolina	666,729	2.04%
2	North Dakota	61,249	0.86%	28	Colorado	1,018,557	2.06%
3	Alaska	93,537	0.88%	29	Pennsylvania	1,555,267	2.06%
4	Montana	138,143	0.91%	30	Mississippi	252,374	2.07%
5	Washington	1,202,022	1.19%	31	Delaware	171,250	2.10%
6	South Dakota	83,519	1.22%	32	Louisiana	477,784	2.10%
7	Oregon	640,723	1.31%	33	Oklahoma	429,356	2.12%
8	Arkansas	311,876	1.34%	34	Massachusetts	834,208	2.14%
9	North Carolina	1,414,518	1.35%	35	Maryland	1,075,841	2.15%
10	Utah	440,430	1.43%	36	Georgia	1,675,604	2.27%
11	Texas	3,113,776	1.43%	37	Kentucky	439,436	2.45%
12	Alabama	606,923	1.48%	38	New York	2,052,340	2.57%
13	Virginia	1,415,599	1.49%	39	Wisconsin	632,522	2.57%
14	Missouri	884,136	1.51%	40	Minnesota	909,129	2.74%
15	New Mexico	257,434	1.52%		U.S. Average	45,474,524	2.97%
16	Nebraska	208,275	1.55%	41	New Jersey	1,279,523	3.06%
17	Tennessee	862,243	1.58%	42	Rhode Island	140,324	3.18%
18	Idaho	263,310	1.62%	43	Maine	143,164	3.19%
19	West Virginia	134,103	1.63%	44	Illinois	1,771,111	3.45%
20	Vermont	62,649	1.64%	45	Michigan	1,481,827	3.53%
21	Kansas	332,581	1.64%	46	Indiana	857,971	3.59%
22	Hawaii	169,563	1.67%	47	Arizona	1,223,568	3.86%
23	New Hampshire	199,394	1.70%	48	California	5,871,693	3.90%
24	District of Columbia	95,447	1.77%	49	Ohio	1,519,449	3.93%
25	Connecticut	537,748	1.98%	50	Nevada	567,910	5.58%
26	Iowa	361,715	2.03%	51	Florida	3,565,944	7.32%

Source: Mortgage Bankers Association, National Delinquency Survey

characteristics of both the Alaska housing market in 1983 and the Lower 48 in 2005. Though each boom and bust was triggered by different events, the symptoms are similar.

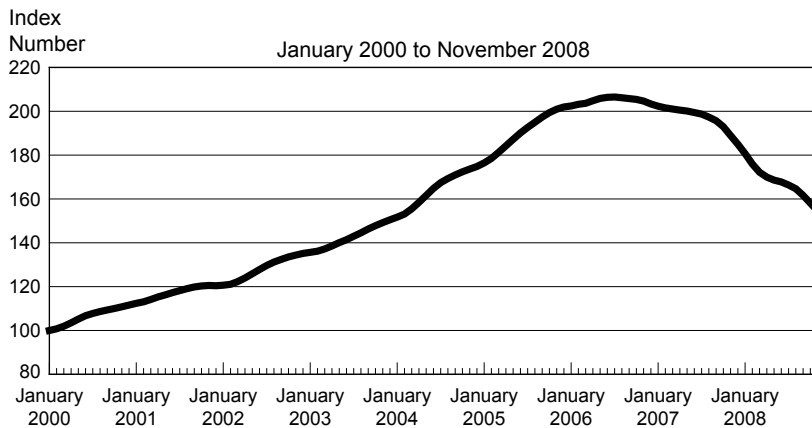
For instance, the national Mortgage Bankers Association foreclosure rate – reported as the percentage of total sampled mortgages that are in foreclosure status – shows that between the third quarter of 2005 and the third quarter of 2008, the foreclosure rate in the U.S. increased by more than 200 percent. (See Exhibit 7.)

Alaska, on the other hand, has the third-lowest foreclosure rate in the nation. (See Exhibit 8.) The relative unpopularity of higher-risk subprime mortgages, and adjustable-rate mortgages in particular, is the likely reason for Alaska's strong standing.

Because of that, Alaska subprime loans are dramatically outperforming subprime loans nationwide in terms of delinquency rates. In the third quarter of 2008, 10 percent of Alaska mortgages were subprime, while 12 percent of mortgages nationally were subprime. Only 5 percent of Alaska subprime loans were seriously delinquent – 90 days or more late on payment or in foreclosure – while 20 percent of total U.S. subprime loans fell into that category.

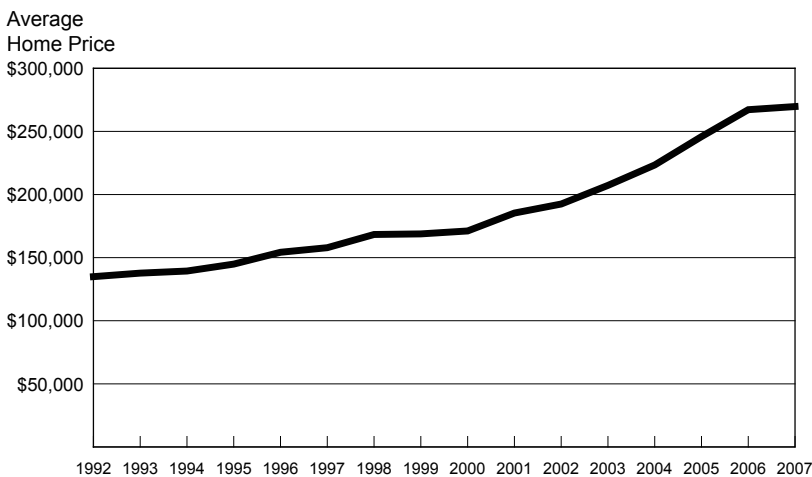
Alaska subprime loans were 2.4 times less likely to have an adjustable interest rate than the nation's. Adjustable rate mortgages are offered with low introductory interest rates but are adjusted after the initial period (usually from one to five years). When the interest rate resets at a higher rate and monthly mortgage payments increase accordingly, borrowers are

9 U.S. Home Prices Up and Down Case-Shiller Historical Home Price Index



Source: Standard & Poor's/Case-Shiller Historical Home Price Index

10 Home Prices Begin to Taper Off Single-family home prices, Alaska



Sources: Alaska Housing Finance Corporation, Alaska Quarterly Survey of Mortgage Activity; Alaska Department of Labor and Workforce Development, Research and Analysis Section

sometimes unable to meet the additional burden of an often substantially higher monthly payment.

No boom, no bust?

The U.S. housing bubble was driven by many factors, one of which was speculation in the market. Real estate investors watched home values soar and invested accordingly. Eager buyers drove prices even higher as builders rushed to meet demand. (See Exhibit 9.) Despite that escalation, the real estate gold rush bypassed Alaska.

Alaska's average single-family home prices have increased modestly from the early 1990s through 2007, heating slightly between 2001 and 2006. (See Exhibit 10.) Data from the first three quarters of 2008 follow the historical trend, rising at a rate similar to 2007.

Alaska home prices are leveling – a somewhat positive development compared to a plague of plummeting prices in much of the Lower 48. Level to slightly rising prices will keep Alaska homeowners' heads above water on their mortgages, reducing the risk of foreclosure.

But not all Alaskans win when home prices remain high. Potential buyers, optimistic from hearing the news of falling prices elsewhere, will continue to find the dream of homeownership at arm's length if home prices maintain their upward trend.

What the future holds

Perhaps Alaska mortgage lenders and borrowers remembered the hard lessons learned in the 1980s, or Outside builders and investors didn't see a lucrative future in Alaska real estate. Whatever the reason, Alaska's housing market has so far escaped the fallout from the deflating national housing bubble.

Although 2008 was a 15-year record high for foreclosures, there were 115 fewer foreclosures in the fourth quarter than the third. (See Exhibit 11.) Foreclosures will likely continue to be higher than average through 2009, but it's possible that the worst is over.

Much depends on the health of Alaska's economy. A flat economy could sustain a healthy housing market, but significant job losses or falling wages could force foreclosure numbers even higher. Although short-term employment forecasts predict a modest decline in 2009, long-term projections suggest the state will regain a course of stable growth.

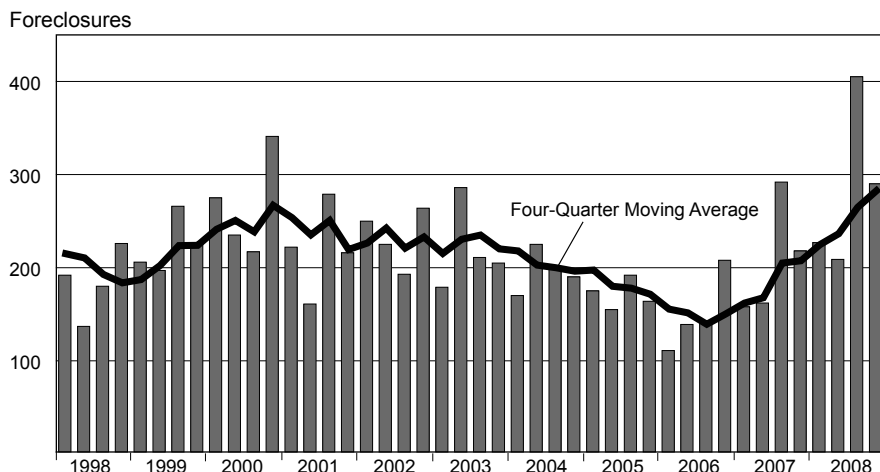
Despite the rosy comparisons to the national foreclosure crisis, more Alaskans lost their homes last year than any year since the recovery from the 1980's bust. A key difference between

current housing market conditions and the spike of defaults in the mid- to late-1980s is that Alaska's economy remains stable and the national economy is anemic.

In 1986, the national economy had recovered from a recession and seemed a hopeful place for financially troubled Alaskans. In contrast, Alaska homeowners who struggle to manage their mortgage today have even fewer choices Outside. Alaska may even be seen as a refuge for some of the victims of the serious economic contraction in many parts of the country.

Alaska's low foreclosure rates are a major factor in the relative health of the state's housing market and they play an indirect role in Alaska's overall economic well-being.

Foreclosures Up From 2006 Low **11** Foreclosures by quarter, Alaska



Sources: Alaska Department of Natural Resources, Recorder's Office; Alaska Department of Labor and Workforce Development, Research and Analysis Section

Work-related deaths decline

Alaska had 30 workplace fatalities – injuries that resulted in deaths – in 2007, the third-lowest number since 1992, continuing a downward trend.

In the 16 years between 1992 and 2007,¹ 825 workers died in Alaska's workplaces, an average of about one every seven days. Nationally, nearly 5,500 workers died in workplaces in 2007 alone. (See Exhibits 1 and 2.)

The data presented in this report are derived from the annual Census of Fatal Occupational Injuries program, a federal/state cooperative that started in 1992. The U.S. Department of Labor's

¹ Workplace fatalities that occurred in 2008 aren't included in this report because the Census of Fatal Occupational Injuries for 2008 won't be released until August 2009.

Bureau of Labor Statistics works with all 50 states and the District of Columbia – in Alaska's case, the Alaska Department of Labor and Workforce Development's Research and Analysis Section – to identify, verify and profile fatal work injuries using diverse state and federal data sources.²

The best way to spot trends

Because workforce fatality numbers can vary considerably from one year to the next – especially in states like Alaska where yearly fatality numbers are small in comparison to most other states – a year-to-year comparison isn't the best way to measure trends.

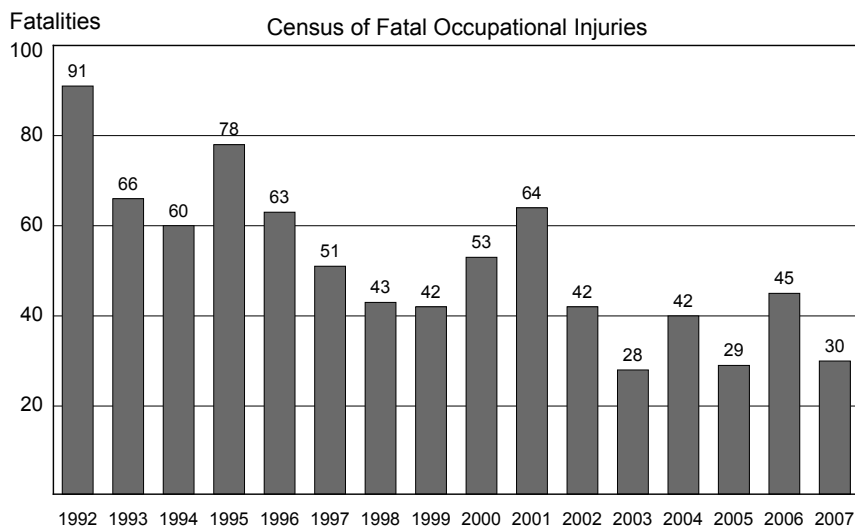
A single accident, for example, might claim numerous lives at once, spiking the fatality number for that year. The next year, there might not be a major catastrophic event, so the number of workplace deaths for that year might be a lot lower.

A better approach to explore safety trends in the workplace is to look at the average number of fatalities, how the fatalities occurred and their characteristics over different time frames spanning multiple years.

Looking at the same 16-year period, workplace fatalities decreased 32 percent from the first half of the period (an average of 62 deaths a year) to the second half (an average of 42 a year).

² The national CFOI program provides a methodological framework for all states to collect reliable and consistent information on private- and public-sector wage and salary workers and the self-employed. (See the program methodology at the end of this report.)

1 Alaska Workplace Fatalities 1992 to 2007



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

In the first five years of the 16-year period, from 1992 to 1997, Alaska had an average of 72 deaths a year. In the last five years of the period, 2003 to 2007, the state averaged 35 deaths a year, a 51 percent decrease.

Yet, while Alaska's working environments are becoming safer, people are still dying. Safety experts maintain that every workplace death is preventable.

Making a safer workplace

Alaska's downward trend in workplace fatalities since 1992 can be partly credited to the decline in commercial fishing fatalities since the implementation of individual fishing quota systems. Before the halibut, black cod and pollock fisheries converted to quota systems during the late 1990s – and the Bering Sea crab fisheries in 2005 – fishermen literally raced to get as many fish and crab as possible during short openings

Fatal Work Injuries Alaska and the U.S., 1992 to 2007 **2**

	Workplace Fatalities	
	Alaska	U.S.
2007	30	5,488
2006	45	5,840
2005	29	5,734
2004	42	5,764
2003	28	5,575
2002	42	5,524
2001	64	5,915
2000	53	5,920
1999	42	6,054
1998	43	6,055
1997	51	6,238
1996	63	6,202
1995	78	6,275
1994	60	6,632
1993	66	6,331
1992	91	6,217

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

Work-Related Fatalities in Alaska **3** By event, 2003 to 2007

	Alaska					2003 to 2007			
	2003	2004	2005	2006	2007	Alaska		U.S.	
						Total	Percentage	Total	Percentage
Total workplace fatalities	28	42	29	45	30	174		28,401	
Transportation incidents	13	31	21	25	17	107	62%	12,040	42%
Highway vehicles	1	8	1	2	2	14	8%	6,855	24%
Water vehicles	6	8	19	13	6	52	30%	413	1%
Falls from ships, boats, other	2	3	5	2	5	17	10%	158	1%
Sinkings, capsized water vehicles	4	2	14	10	1	31	18%	149	1%
Other	-	3	-	1	-	4	2%	106	0%
Airplanes and helicopters	6	13	1	6	9	35	20%	975	3%
During take off/landing	1	4	-	-	2	7	4%	331	1%
Other aircraft incidents	5	9	-	6	7	27	16%	644	2%
Exposure to harmful substances or environments	3	3	0	5	5	16	9%	2,486	9%
Contact with objects and equipment	3	0	0	8	4	15	9%	4,836	17%
Assaults and violent acts, including suicides and animal attacks	7	0	0	4	0	11	6%	4,130	15%
Falls	0	0	3	0	0	3	2%	3,950	14%
Other or unknown	2	8	5	3	4	22	13%	959	3%

Notes:

A dash indicates that no data were reported or the data fail to meet Bureau of Labor Statistics' publication criteria.

This is a select list of events for analysis; the parts don't add to the total.

The percentages for the subsets of each category are percentages of the total fatalities in Alaska or the U.S.

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

4 Worker Characteristics

Workplace fatalities, 2003 to 2007

	2003 to 2007			
	Alaska		U.S.	
	Number	Percentage	Number	Percentage
Total	174	100%	28,401	100%
Employee status				
Wage and salary workers ¹	118	68%	22,869	81%
Self-employed ²	56	32%	5,532	19%
Gender				
Male	159	91%	26,273	93%
Female	15	9%	2,128	7%
Age				
Under 19	4	2%	624	2%
20 to 24	20	11%	2,086	7%
25 to 34	33	19%	5,039	18%
35 to 44	46	26%	6,334	22%
45 to 54	44	25%	6,873	24%
55 to 64	19	11%	4,506	16%
65 and over	8	5%	2,827	10%
Race/Ethnicity				
White	123	71%	19,808	70%
Hispanic or Latino ³	13	7%	4,517	16%
Alaska Native or American Indian	19	11%	194	1%
Asian	12	7%	771	3%
Other or not reported	7	4%	203	1%

Note: The definitions of the categories are from the Census of Fatal Occupational Injuries.

¹ May include volunteers and workers receiving other types of compensation

² Includes self-employed workers (fishermen are categorized here), owners of unincorporated businesses and farms, paid and unpaid family workers, and may include some owners of incorporated businesses or members of partnerships

³ People identified as Hispanic or Latino may be of any race. The race categories shown exclude Hispanic and Latino workers.

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

lasting a few days. The tight openings and heavy competition, coupled with Alaska's unpredictable weather that can turn vicious without a moment's notice, meant people died.

The IFQ system, in contrast, allows fishermen flexibility to wait for better weather, with months instead of days to catch their quotas.

Aviation technology improvements have also contributed to a higher level of safety. The Capstone Program, funded by the Federal Aviation Administration, was developed to address the high number of aviation accidents in Alaska, particularly in the state's rural areas. The program's goal is to increase aviation safety by integrating

technology more efficiently using automated weather information systems, the Global Positioning System and terrain avoidance hardware and software.

The Capstone Program was developed by the FAA, Alaska's aviation community, the National Transportation Safety Board, National Weather Service and National Institute of Occupational Safety and Health.

Causes of work-related deaths – a look at five years of data, 2003 to 2007³

The manner in which a workplace death occurs is called an event. The categories of events include assaults and violent acts, contact with objects and equipment, exposure to harmful substances or environments, falls and transportation incidents. If more than one type of event occurs when a worker dies, it's categorized using the first event that occurred.

For example, when a driver of a vehicle is stabbed and then crashes into a road divider, the event would be coded as an assault, not a transportation incident.

Proper event categorization can be problematic. A death due to drowning, for instance, is recorded as a transportation event if a vehicle, such as a boat or ship, was involved. But if a vehicle wasn't involved – such as if a worker fell off a dock and drowned – the event is recorded as exposure to harmful substances or environments (water).

Fatalities due to transportation incidents have been the leading cause of workplace fatalities nationally and in Alaska since the start of the census in 1992.

At the same time, Alaska's workplace transportation needs are far different and riskier

³ The rest of this report refers to the five-year period from 2003 to 2007.

than what's common in the Lower 48. Aside from the usual cars and trucks, Alaska workers rely more on different types of transportation – boats, Bush planes, helicopters, all-terrain vehicles, snow machines and even sled dogs.

Sixty-two percent of Alaska's workplace fatalities during the five-year period from 2003 to 2007 were transportation incidents, which is much higher than the U.S.'s 42 percent. (See Exhibit 3.) Nearly half the state's transportation deaths were water-vehicle related.

Alaska's dependence on air transportation – which is critical to transporting people, cargo and mail to more than 250 villages off the road system – accounted for a third of transportation fatalities during the five-year period. In comparison, the state's highway vehicle accidents that killed workers accounted for 13 percent of transportation fatalities.

Nationally, 42 percent of all workplace fatalities were transportation incidents or events during the five-year period, representing 12,040 deaths.

Exposure to harmful substances or environments was the second-leading cause of worker deaths in Alaska, representing 9 percent of the state's workplace fatalities (16 deaths). That category includes drug overdoses, diving accidents, drowning, electrocutions and chemical inhalations.

Nationally, exposure to harmful substances or environments was the fifth-leading cause of worker deaths. The category represented 9 percent of the nation's workplace fatalities, the same percentage for Alaska.

The third-leading cause of deaths in Alaska during the five-year period was contact with objects and equipment, accounting for just under 9 percent of the state's workplace fatalities. The category doesn't include the deaths of pedestrians, roadway workers and non-passengers struck by vehicles and powered industrial equipment; those would be classified as transportation fatalities. Nationally, contact with objects and equip-

ment was the second-leading cause of death, accounting for 17 percent of the nation's workplace fatalities.

Deaths due to assaults and violent acts accounted for 6 percent of Alaska's workplace fatalities (versus 15 percent for the nation), while falls only represented 2 percent of the state's fatalities (versus 14 percent for the nation). An even larger percentage of Alaska's fatalities, 13 percent, were classified under "other or unknown causes," (versus 8 percent for the nation).

Work-related fatalities by worker characteristics

A persistent Alaska myth is that there are far more males than females, although 2007 population estimates show that males 16 and older made up 51 percent of the state's population.

Even so, as far as workplace fatalities, the number of fatalities involving men far outweigh those involving women.

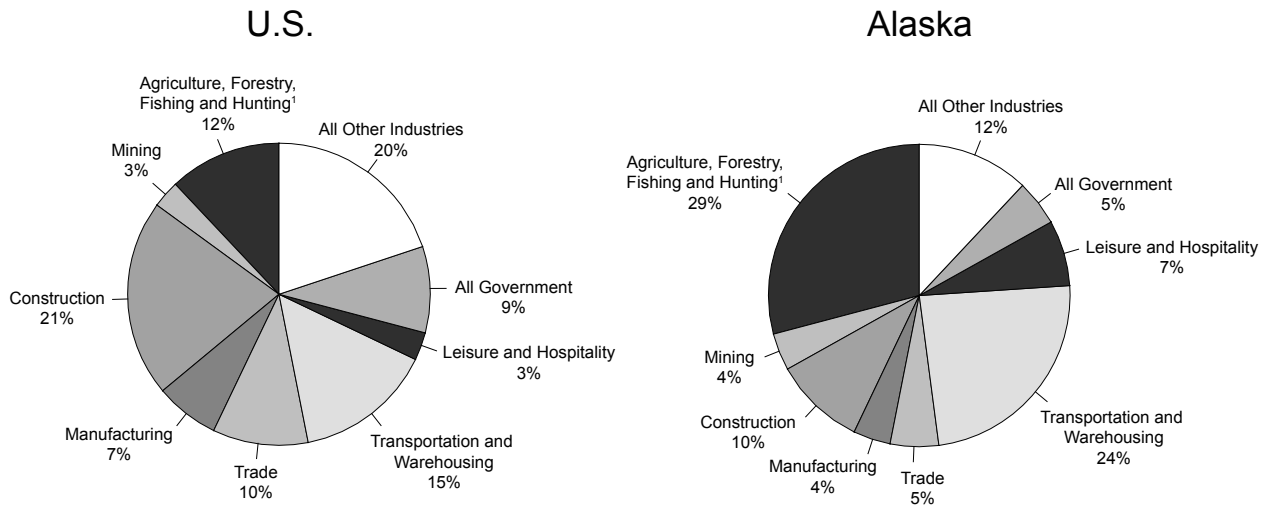
Alaska had 174 work-related deaths during the five-year period from 2003 to 2007. Of those, 91 percent were men (159 workers) and 9 percent were women (15 workers). That's largely because more men work in the state's most dangerous industries – fishing, aviation and construction. Nationally, the male/female rates were similar. (See Exhibit 4).

Looking at the difference in fatalities between the self-employed, and wage and salary workers, the self-employed have higher fatality rates in proportion to the work force than wage and salary workers. Much of that is because many people working in commercial fishing – again, a particularly hazardous industry – are self-employed.

The 2000 U.S. Census shows that self-employed and unpaid family workers make up 8 percent of Alaska's work force, yet they represented 32 percent of the state's fatalities (56 deaths) in the five-year period, as shown by the fatality census. Conversely, wage and salary workers, including government workers, make up 92 percent of

5 An Industry Breakdown of Fatalities

Workplace fatalities, 2003 to 2007

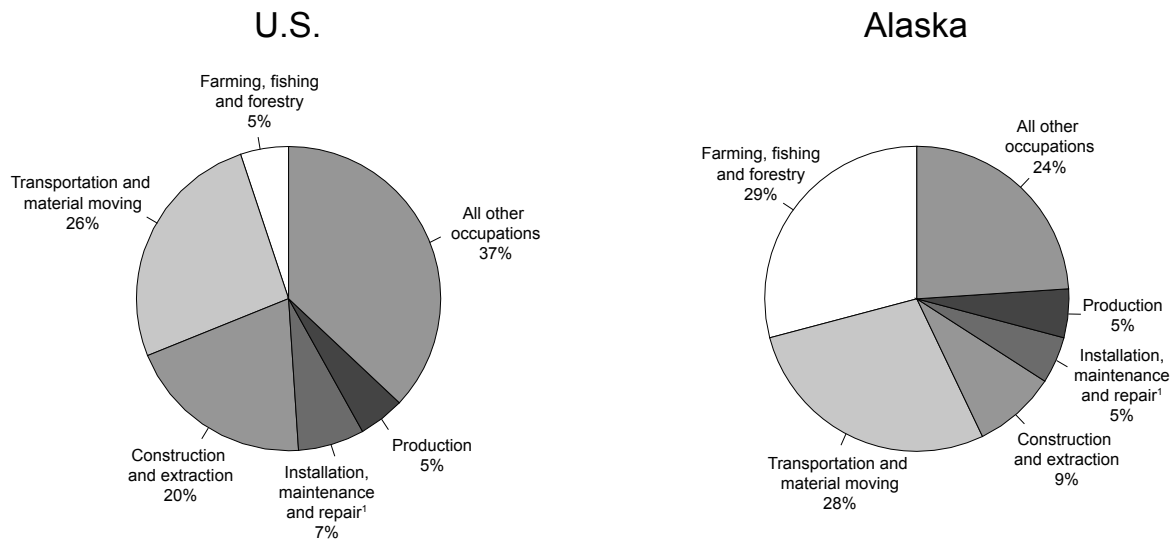


¹ This category includes fishermen.

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

6 Where the Most Workplace Fatalities Are

Occupational categories, 2003 to 2007



¹ Occupations in the installation, maintenance and repair occupational category range from a large equipment mechanic to an electrical line-man and telecommunication equipment installer and repairer.

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

Alaska's work force, yet they accounted for 68 percent of the fatalities (118 deaths).

Seventy percent of the people who died in the state's workplaces in the five-year period were in their prime working years, ages 25 to 54. The highest fatalities were in the 35- to 44-year-

old group (46 deaths), followed by the 45- to 54-year-old group (44 deaths) and the 25- to 34-year-old group (33 deaths).

Looking at race or ethnicity during the five-year period, 71 percent of the people who died on the job were white (123 workers), 11

percent were Alaska Native or American Indian (19 workers), and 7 percent were either Hispanic or Latino (13 workers) or Asian (12 workers).

Work-related fatalities by industry

Ninety-five percent of fatal injuries in Alaska in the five-year period involved workers in private industry, which includes the self-employed. Workers in the agriculture, forestry, fishing and hunting industry had the most workplace deaths with 29 percent of the fatalities (50 deaths), followed by the transportation and warehousing industry with 24 percent (41 deaths) and the construction industry with 10 percent (18 deaths). (See Exhibit 5.)

Compared to the U.S. over the same five-year period, the percentage of Alaska's workplace fatalities in the agriculture, forestry, fishing and hunting industry was more than twice as high as the national percentage (29 percent versus 12 percent). The percentage in Alaska's transportation and warehousing industry was 38 percent higher than the U.S. (24 percent versus 15 percent).

Work-related fatalities by occupation

Fatalities by occupational group add to the story.

The category with the most deaths was farming, fishing and forestry occupations, which accounted for 29 percent of Alaska's job fatalities in the five-year period. All 51 people in that category who died were in fishing-related occupations. (See Exhibit 6.)

Nationally, the farming, fishing and forestry group had only 5 percent of the deaths.

The category with the next highest number of deaths was transportation and material moving occupations, which had 28 percent of Alaska's fatalities (48 deaths). Fifteen of those were air transportation workers, 13 were motor vehicle operators and nine were water transportation workers. The remaining 10 deaths didn't meet publication criteria.

Methodology

The Census of Fatal Occupational Injuries program each year collects, analyzes and publishes information on all fatal injuries that occurred while an employee was at work receiving pay or other compensation, was conducting a work activity or was present at the site of the incident as a condition of employment.

Cases are substantiated with two or more independent source documents, such as death certificates, workers' compensation forms, coroner's reports and newspaper articles.

Deaths occurring in the private and public sectors, as well as the military, are counted. The program also counts the self-employed¹ and volunteer workers who are exposed to the same work hazards and are performing the same duties as paid employees. This methodology ensures that the counts are as complete and accurate as possible.

Information on the cause of death, and type of industry and occupation are useful in monitoring trends of work-related hazards and in identifying high-risk industries and occupations.

The CFOI program's goal is to provide people with pertinent data so they can identify potential risks to workers and work toward preventing future fatalities.

¹ Self-employed workers – of whom commercial fishermen are a big group – are covered by CFOI. However, they aren't covered under state unemployment insurance, so their employment isn't represented in Research and Analysis' standard employment data series.

In the U.S., transportation and material moving occupations represented a similar amount – 26 percent of fatalities.

Construction and extraction occupations accounted for about one out of every 10 workplace fatalities in the five-year period, or 9 percent – 16 fatalities. Nationally, it was more than twice that – 20 percent of the nation's fatalities. Alaska's abbreviated construction

season probably accounts for some of that difference.

□ □ □

Research and Analysis publishes both fatal and non-fatal workplace injury and illness information and data tables for readers to download on its Web site at laborstats.alaska.gov. Click on

“Occupational Information” on the blue menu bar on the left, then “Injury, Illness & Fatalities.” National data as well as information for all 50 states and the District of Columbia are available from the U.S. Bureau of Labor Statistics at www.bls.gov/iif/. (The “iif” represents “Injuries, Illnesses and Fatalities.”)

Workplace Safety: Teach Them Early

Every year, thousands of Alaska youth ages 14 to 17 work part-time or in summer jobs, where they can learn life skills and get some valuable work experience. But all that isn't worth it if teenagers get injured on the job, or killed.

That's why the Alaska Department of Labor and Workforce Development's Occupational Safety and Health Section obtained funding for a new position and hired Nathan Menah last July to travel throughout the state to get youth workers – and their employers – interested in workplace safety and health.

Eighty-five youth in Alaska in 2007 had to go to emergency rooms because of workplace injuries, Menah said. Alaska's last youth workplace fatality was in 2002, when a gillnet-setting skiff capsized out of Homer, killing a 14-year-old boy.

“The whole idea is to create an educational program that changes the attitudes of kids toward workplace safety and health,” said Grey Mitchell, director of the Labor Standards and Safety Division, which houses Occupational Safety and Health, or AKOSH.

“Workplace safety and health has a negative image with some Alaskans,” Mitchell said. “A worker may have heard a boss or co-worker talk bad about OSH, that [taking precautions] is a waste of time, that it'll slow down production. The concept is if we can get to young workers before they're jaded or predisposed,” that's the time to get the message across, he said.

Since October, Menah has taught workplace safety and health to some 2,600 students in 25 schools. He'll eventually develop a curriculum for youth of different ages – from high schoolers down to elementary school students – and he'll work with teachers, counselors and administrators to get them to use the curriculum.

Menah's presentations and the curriculum include a film that University of Alaska Anchorage broadcast students and their professor produced, working with Menah. It's been in the works for a year.

The film shows an interview with the brother of the 14-year-old who died, and another with a 20-year-old who was 17 when he lost half his hand in a sawmill accident in Fairbanks in 2006. The film crew also interviewed a mother of a Kenai teen who was 15 in 2007 when she suffered a brain injury. Her supervisor had mistakenly turned on a trash compactor when she was loading it; the compactor door flew open and hit her in the head.

Menah said he thinks the film and his presentations are getting across to the kids. “They're really amazed at what they're learning. A lot of them didn't know they had rights and responsibilities for safety in the workplace.”

During the summers – the highest employment period for youth – Menah visits employers throughout the state who hire youth, to teach them about workplace safety and health laws, particularly as they apply to youth. He also tells them about the Department of Labor's free safety consultations for employers.

For more information, call Nathan Menah at (907) 269-4946 or email him at Nathan.Menah@alaska.gov.

Job growth continues in Alaska

The U.S. economy continued to shed jobs in January and Alaska continued to buck that trend. (See Exhibits 1 and 2.) National payroll employment was down 2.6 percent over the year in January and Alaska's was up 1.7 percent over the same period.

Typical churning, but consistent growth

The jagged line of Alaska's over-the-year percent growth reveals a few things. The most important is that with the exception of just one month, the job count has always been up over the previous year. Growth has been moderate – generally between 1 and 2 percent – but consistent over a time period during which the U.S. has seen two recessions.

The other thing to note about Alaska's growth rates is that they illustrate an economy that sees significantly more fluctuation from month to month than the national economy. No other state is as seasonal as Alaska and industries such as seafood processing don't always peak in the

same month every year, which means over-the-year growth rates bounce around more.

What's Alaska's secret?

So how has Alaska avoided job losses so far? The main reason is the state's industry mix. Nationally, the biggest losses have been in durable goods manufacturing – cars, industrial machinery and metal products, for example – and Alaska has almost none of that to lose.

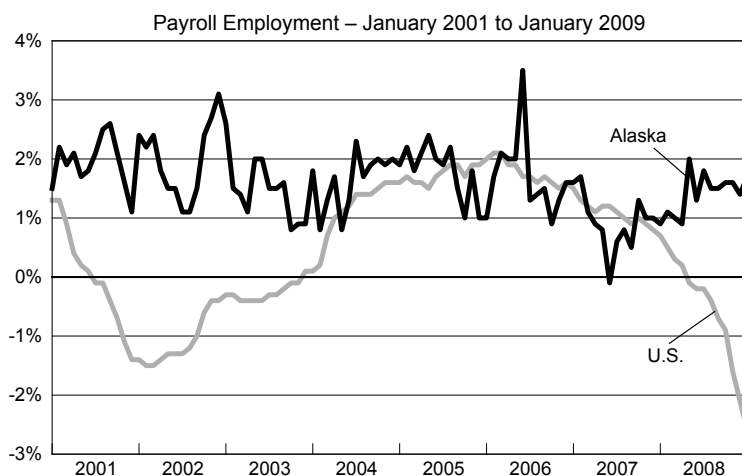
Construction is the other industry with especially big national job losses. Since peaking in January 2007, construction jobs have fallen by about 1 million. Alaska's construction industry peaked in 2005 and has fallen every year since, but the losses have almost disappeared in recent months and they weren't large enough to be a significant drag on the state's economy in 2008.

And finally, there's a one-word answer to a lot of Alaska's economic questions – oil – that applies again here. The oil and gas industry added 1,000 jobs from January 2008 to January 2009, most of them at very high wages. That growth drove gains in a variety of other industries, boosted state revenues, and allowed the state to replenish its savings accounts. But those gains have tapered off and 2009 is expected to be a year characterized more by retrenchment than expansion.

Average wages highest in North Slope and Southeast Fairbanks

Shifting focus, newly available data for the third quarter of 2008 show that average quarterly wages were up \$397 statewide compared to the third quarter of 2007. Not surprisingly, average wages were highest for jobs in the North Slope Borough at \$20,466. The Southeast Fairbanks Census Area, with its strong mining industry, had the second-highest average wages at \$14,215.

1 Employment Growth, Alaska and U.S. Over-the-year percent change



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

2 Nonfarm Wage and Salary Employment

	Preliminary	Revised	Revised	Changes from:	
	1/09	12/08	1/08	12/08	1/08
Alaska					
Total Nonfarm Wage and Salary¹	304,200	309,200	299,000	-5,000	5,200
Goods-Producing ²	39,900	38,100	38,600	1,800	1,300
Service-Providing ³	264,300	271,100	260,400	-6,800	3,900
Natural Resources and Mining	15,600	15,700	14,200	-100	1,400
Logging	200	200	100	0	100
Mining	15,500	15,500	14,100	0	1,400
Oil and Gas	13,100	13,100	12,100	0	1,000
Construction	13,600	15,200	13,700	-1,600	-100
Manufacturing	10,700	7,200	10,700	3,500	0
Wood Product Manufacturing	400	400	400	0	0
Seafood Processing	7,100	3,400	7,000	3,700	100
Trade, Transportation, Utilities	61,200	63,200	60,800	-2,000	400
Wholesale Trade	6,100	6,300	6,300	-200	-200
Retail Trade	35,100	36,500	35,000	-1,400	100
Food and Beverage Stores	6,100	6,200	6,300	-100	-200
General Merchandise Stores	9,700	10,000	9,600	-300	100
Transportation, Warehousing, Utilities	20,000	20,400	19,500	-400	500
Air Transportation	6,000	6,100	6,000	-100	0
Truck Transportation	3,000	3,200	2,900	-200	100
Information	7,000	7,100	6,800	-100	200
Telecommunications	4,700	4,700	4,300	0	400
Financial Activities	14,400	14,600	14,400	-200	0
Professional and Business Services	24,300	24,700	24,000	-400	300
Educational⁴ and Health Services	37,400	37,600	36,800	-200	600
Health Care	27,100	27,300	26,700	-200	400
Leisure and Hospitality	27,100	28,200	27,000	-1,100	100
Accommodations	6,100	6,600	6,100	-500	0
Food Services and Drinking Places	17,100	17,800	17,400	-700	-300
Other Services	11,000	11,400	10,900	-400	100
Government	81,900	84,300	79,700	-2,400	2,200
Federal Government ⁵	15,900	16,400	16,100	-500	-200
State Government	24,600	25,700	22,800	-1,100	1,800
State Government Education ⁶	7,000	7,900	5,800	-900	1,200
Local Government	41,400	42,200	40,800	-800	600
Local Government Education ⁷	23,700	24,100	23,300	-400	400
Tribal Government	3,500	3,500	3,300	0	200

Notes for Exhibits 2 and 4:

¹ Excludes the self-employed, fishermen and other agricultural workers, and private household workers; for estimates of fish harvesting employment, and other fisheries data, go to labor.alaska.gov/research/seafood/seafood.htm

² Goods-producing sectors include natural resources and mining, construction and manufacturing.

³ Service-providing sectors include all others not listed as goods-producing sectors.

⁴ Private education only

⁵ Excludes uniformed military

⁶ Includes the University of Alaska

⁷ Includes public school systems

⁸ Fairbanks North Star Borough

Sources for Exhibits 2 and 3: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics

Sources for Exhibit 4: Alaska Department of Labor and Workforce Development, Research and Analysis Section; also the U.S. Department of Labor, Bureau of Labor Statistics, for Anchorage/Mat-Su

4 Nonfarm Wage and Salary Employment By region

	Preliminary	Revised	Revised	Changes from:		Percent Change:	
	1/09	12/08	1/08	12/08	1/08	12/08	1/08
Anch/Mat-Su	166,800	170,900	162,700	-4,100	4,100	-2.4%	2.5%
Anchorage	148,300	152,500	145,300	-4,200	3,000	-2.8%	2.1%
Gulf Coast	25,800	26,000	25,400	-200	400	-0.8%	1.6%
Interior	40,500	43,100	40,900	-2,600	-400	-6.0%	-1.0%
Fairbanks ⁸	35,200	37,000	35,500	-1,800	-300	-4.9%	-0.8%
Northern	20,350	20,350	18,900	0	1,450	0.0%	7.7%
Southeast	32,450	33,250	32,300	-800	150	-2.4%	0.5%
Southwest	18,450	15,650	18,750	2,800	-300	17.9%	-1.6%

3 Average Quarterly Wages By borough and census area

	Third Quarter	Third Quarter	Change
	2008	2007	
Alaska Statewide	\$11,243	\$10,846	\$397
Anchorage/Mat-Su Region			
Municipality of Anchorage	\$11,932	\$11,576	\$356
Mat-Su Borough	\$8,836	\$8,502	\$334
Gulf Coast Region			
Kenai Peninsula Borough	\$9,423	\$9,019	\$404
Kodiak Island Borough	\$9,732	\$9,799	-\$67
Valdez-Cordova Census Area	\$10,720	\$10,900	-\$180
Interior Region			
Denali Borough	\$8,739	\$8,622	\$117
Fairbanks North Star Borough	\$11,101	\$10,787	\$314
Southeast Fairbanks CA	\$14,215	\$14,195	\$20
Yukon-Koyukuk Census Area	\$8,564	\$8,930	-\$366
Northern Region			
Nome Census Area	\$9,353	\$8,819	\$534
North Slope Borough	\$20,466	\$18,762	\$1,704
Northwest Arctic Borough	\$12,259	\$11,506	\$753
Southeast Region			
Haines Borough	\$8,040	\$8,052	-\$12
Juneau Borough	\$10,452	\$10,112	\$340
Ketchikan Gateway Borough	\$9,284	\$8,948	\$336
Prince of Wales-Hyder CA	\$8,234	*	*
Sitka Borough	\$9,114	\$9,103	\$11
Hoonah-Angoon Census Area	\$7,357	\$7,212	\$145
Municipality of Skagway	\$9,870	\$9,941	-\$71
Petersburg Census Area	\$7,756	*	*
Wrangell Borough	\$8,221	*	*
Yakutat Borough	\$7,732	\$8,831	-\$1,099
Southwest Region			
Aleutians East Borough	\$8,607	\$8,693	-\$86
Aleutians West Census Area	\$10,432	\$9,630	\$802
Bethel Census Area	\$8,353	\$8,279	\$74
Bristol Bay Borough	\$10,159	\$9,895	\$264
Dillingham Census Area	\$8,400	\$8,511	-\$111
Lake and Peninsula Borough	\$10,285	\$9,506	\$779
Wade Hampton Census Area	\$5,131	\$5,342	-\$211

* Data are not available because these areas were recently created or redefined.

For more current state and regional employment and unemployment data, visit our Web site. We have a new address:

laborstats.alaska.gov

Employer Resources

The Business Connection: A Full Spectrum of Employer Services

The staff at Alaska Job Centers provide employers with a whole range of useful and free services through the Alaska Department of Labor and Workforce's Business Connection. One of the services is ALEXsys, the Alaska labor exchange system where employers can place job orders, find suitable candidates by reviewing applicants' resumes and qualifications, find out about appropriate training, determine competitive starting salaries and look at labor market trends. (Access ALEXsys on the Web by going to jobs.alaska.gov.)

Business Connection staff also help employers tailor recruitment plans to meet employers' needs, refer qualified applicants to employers and arrange for employers to use job center conference and interview rooms for recruiting. Employer workshops at the Anchorage Midtown Job Center cover wage and hour laws, small business payroll, the Employment Security Tax and other topics. Workshops can also be provided on request throughout the state at businesses, other job centers and conferences.

The Business Connection Web site at jobs.alaska.gov/employer.htm has a link to the newly updated *Alaska Employer Resource Manual*. The manual gives a detailed overview of the employer services available through the Department of Labor (including those through the Business Connection), and provides employers with a working knowledge of state and federal requirements.

The Business Connection Web site also has links to ALEXsys, required employment-related posters, employee bonding, tax credits, on-the-job training, small business development, Alaska Job Centers, Employment Security Tax, the Trade Adjustment Assistance program and more.

Another employer service is a program called Rapid Response, where a team of specialists from various Department of Labor programs goes to a business site or community facing layoffs to conduct free workshops and counseling for employees on topics such as training for another job, current job openings, job search skills, resume writing and interviewing, applying for unemployment insurance benefits – even how to deal with stress.

The Rapid Response team also helps companies regardless of where they are in the business cycle: it can pay for feasibility studies for employee stock ownership plans or other plans, new product development, market exploration, upgrading current workers' skills – anything that might create more jobs or maintain existing ones. During layoffs, the team helps companies ensure their layoffs are orderly and legal.

For more information, go to the two Web sites listed above, call or stop by any Alaska Job Center, or call (877) 724-ALEX (2539). For a list of other employer resources, go to jobs.alaska.gov or the Department of Labor's Web site at labor.alaska.gov and click on "Employers" in the gold ribbon at the top.