ALASKA ECONOMIC TRENDS

INCOME AND WAGE GAINS ARE SLOW TO COME

AUGUST JOBLESS RATE DROPS TO 5.5%

November
1996

ALASKA DEPARTMENT OF LABOR • TONY KNOWLES, GOVERNOR

ALASKA ECONOMIC TRENDS

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MADE IN ALASKA
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Income and Wage Gains are Slow to Come

by Neal Fried

In 1995, all Alaskan residents—that is, its men, women and children—earned $14.5 billion. (See Table 1.) During the same year, they also became $357 million dollars richer. These appear to be impressive earnings, and by some measures they are. For example, dividing total state income by the state's entire population, each man, woman and child earned on average $24,002 in 1995. However, looking over the past two decades, this represents considerable slowdown in the rate of growth for income. (See Figure 1.) During most of the nineties, Alaska's gains in personal income have lagged behind those of the rest of the nation.

A few cautions

Treating year-to-year income changes carefully is important. Several measures are used to calculate these estimates. They include population, income sources, and residency adjustments. At times, the quirkiness of these data sources could be the primary reason for an annual change in the income figures. Therefore, only longer run trends or significant annual swings in a state's total personal income reveal pivotal changes in the state's income position.

The U.S. Department of Commerce's Bureau of Economic Analysis (BEA) prepares all of the personal income figures presented in this article. Personal income data are the most comprehensive measure of Alaska's annual income.

In 1995 every Alaskan man, woman and child earned $24,002

One of the most popular uses of personal income data is the per capita income comparisons. Per capita figures are the result of dividing Alaska's total personal income by its entire resident population. This is a good measure of economic well being because of its inclusiveness. Such data exist for every borough, census area, county, and parish in the nation; therefore, national and regional economic performance comparisons can also be made. Because the data represent averages and not medians, however, they do not reveal patterns of income distribution.

Besides economic conditions, demographics can also affect per capita income's performance. Family size, number of dependents, age, participation in the work force and other socio-economic factors influence income levels. For example, during the mid-1970s, when per capita income in Alaska reached its pinnacle, the fat paychecks from construction workers of the oil pipeline were not the only factor that pushed per capita income to new highs. At that time, many of these workers and other wage earners in the state were single, without dependents, which effectively pushed per capita income figures upwards. The increase in the participation of women in the work force during the past

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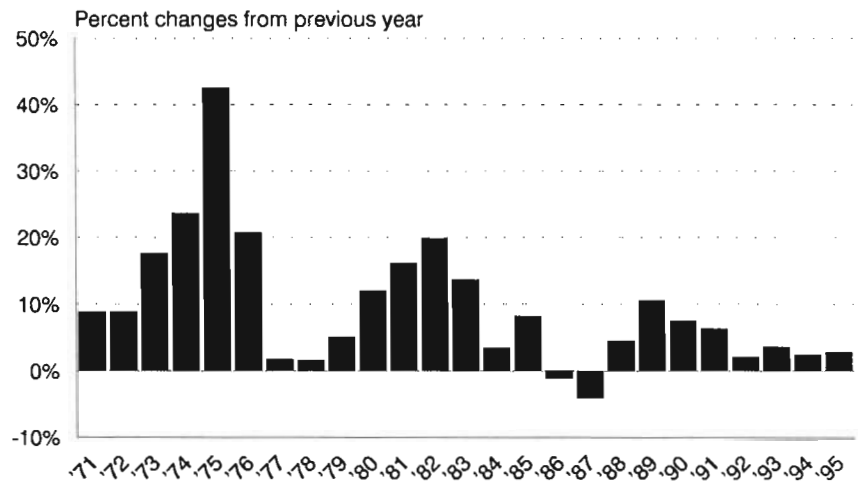
Figure • 1

Alaska's Personal Income Growth Meager from Historical Perspective



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

three decades has also meant a bigger segment of the population is actively earning income. Initially, this increased participation helped push income higher, and more recently it helped prevent it from falling dramatically over the past decade.

Alaska's per capita income slips to 12th place

Alaska's per capita state ranking (excluding District of Columbia) slipped to 12th place in 1995. (See Table 2.) This slide began in 1986 and has not yet stopped. Prior to 1986, Alaska's per capita income ranked number one in the nation. As a result of the state's worst recession, Alaska lost the number one spot.

During the 1970s, per capita income grew at an unprecedented rate of 10.5% per year. This propelled Alaska to the top spot. During the 1980s, the rate of growth slowed to 4.3%, which documents an impressive performance, considering that it included three years of recession from 1986-1988. So far in the 1990s, the average annual rate has decelerated to 2.8%, which lags behind the nation's growth rate of 4.5%. In 1995, Alaska's per capita income growth lagged behind every state but two. This slower rate of growth has allowed several other states to maneuver around Alaska's ranking. The changes are largely a result of a slow down in Alaska's economic growth and an accelerated rate of growth in much of the rest of the nation's economy.

Alaska's income now only 3% higher

In 1995, Alaska's per capita income advantage had shrunk to 103% of the rest of the nation's. This represents a dramatic narrowing of the income advantage the state enjoyed for many years. (See Figure 2.) If adjustments are made for cost-of-living, Alaska's income advantage disappears.

During this same period, a corresponding narrowing in Alaska's cost of living compared to the rest of the nation's is evident. It has helped cushion some of the loss of the income advantage. The elimination of the state income tax, the lower local tax burdens, the increased business competition, the larger economies of scale and the big correction of Alaska's real estate market between 1986-1989 narrowed the cost-of-living differential that always existed between Alaska and the rest of the nation. (See "Measur-

Table • 1

Total and Per Capita Personal Income
Alaska and U.S. 1980-1995

Year	Alaska total (in millions of dollars)	U.S. total (in millions of dollars)	Alaska per capita (in dollars)	U.S. per capita (in dollars)	Alaska per capita as % of U.S. Average
1980	$5,541	$2,259,006	$13,692	$9,940	138
1981	6,431	2,526,009	15,368	11,009	140
1982	7,704	2,683,456	17,134	11,583	148
1983	8,750	2,857,710	17,914	12,223	147
1984	9,060	3,144,363	17,634	13,332	132
1985	9,805	3,368,069	18,411	14,155	130
1986	9,695	3,579,783	17,810	14,906	119
1987	9,299	3,789,297	17,240	15,638	110
1988	9,720	4,061,806	17,931	16,610	108
1989	10,741	4,366,135	19,361	17,690	109
1990	11,642	4,774,005	21,047	19,142	110
1991	12,271	4,950,808	21,552	19,636	110
1992	12,925	5,248,619	22,006	20,581	107
1993	13,632	5,471,129	22,801	21,224	107
1994	14,131	5,739,851	23,344	22,047	106
1995	14,488	6,097,977	24,002	23,208	103

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

ing Alaska's Cost of Living," *Alaska Economic Trends*, June 1996.) Most of these changes are evident in Alaska's urban areas, particularly in those communities connected to the road system and more specifically the railbelt of Alaska. In most of rural Alaska, this offset in the cost-of-living is less noticeable.

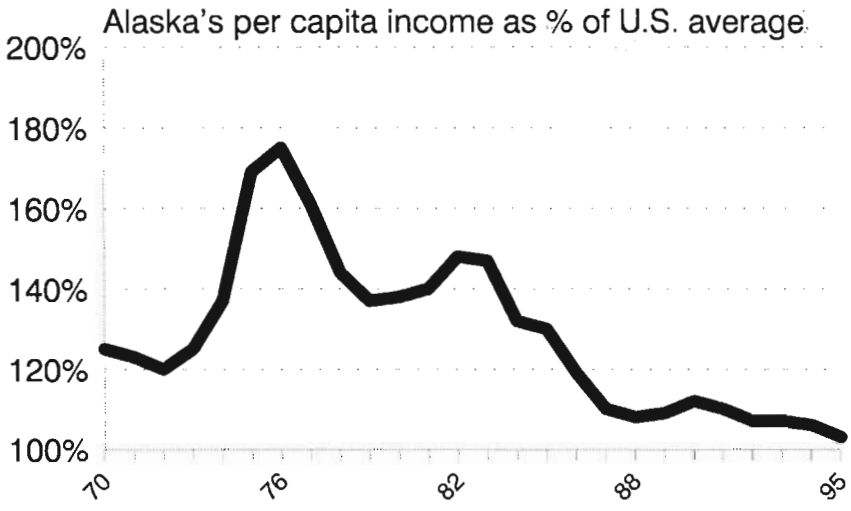
Alaska is tops in household income

Although Alaska's per capita income position has slipped over the years, household income continues to rank number one in the nation. (See Table 3.) In 1995, the median household income came in at $47,954. The measure, median, means that half the households earned incomes higher than this figure and half were lower.

More impressive is the fact that Alaska's household income registered 41% above the national household income, of $34,076. What helps to explain Alaska's considerably better position in household income is that the average household size is larger in Alaska and a much larger portion of the state's working age population is actively participating in the work force. Or said differently,

F i g u r e • 2

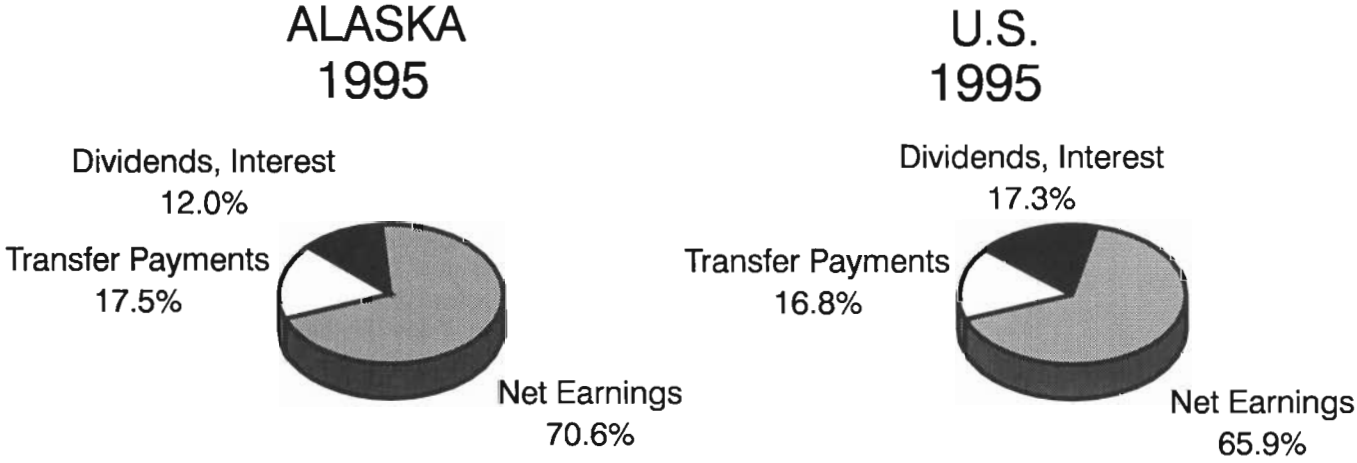
Alaska's Income Advantage is Disappearing



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

F i g u r e • 3

Sources of Personal Income



Source: U.S. Department of Commerce, Bureau of Economic Analysis.

T a b l e • 2

Per Capita Income by State 1994-1995

Rank	State	1995	1994	1994-1995 Percent Change	1995 percent of U.S.
1	District of Columbia	$33,452	$31,860	5.0	144
2	Connecticut	31,776	30,054	5.7	137
3	New Jersey	29,848	28,400	5.1	129
4	Massachusetts	28,021	26,343	6.4	121
5	New York	27,678	26,228	5.5	119
6	Maryland	26,333	25,318	4.0	113
7	Delaware	26,273	24,784	6.0	113
8	New Hampshire	25,587	24,093	6.2	110
9	Illinois	25,225	23,974	5.2	109
10	Hawaii	24,590	24,016	2.4	106
11	Nevada	24,390	23,412	4.2	105
12	California	24,073	22,778	5.7	104
13	**ALASKA**	24,002	23,344	2.8	103
14	Virginia	23,974	22,944	4.5	103
15	Minnesota	23,971	22,942	4.5	103
16	Colorado	23,961	22,707	5.5	103
17	Michigan	23,915	22,584	5.9	103
18	Rhode Island	23,844	22,217	7.3	103
19	Washington	23,774	22,759	4.5	102
20	Pennsylvania	23,558	22,372	5.3	102
	UNITED STATES	23,208	22,047	5.3	100
21	Florida	23,061	21,799	5.8	99
22	Ohio	22,514	21,312	5.6	97
23	Wisconsin	22,261	21,148	5.3	96
24	Kansas	21,841	20,851	4.7	94
25	Missouri	21,819	20,644	5.7	94
26	Georgia	21,741	20,612	5.5	94
27	Oregon	21,611	20,393	6.0	93
28	Nebraska	21,477	20,555	4.5	93
29	Indiana	21,433	20,482	4.6	92
30	Vermont	21,231	20,221	5.0	91
31	Texas	21,206	20,163	5.2	91
32	North Carolina	21,103	19,949	5.8	91
33	Tennessee	21,038	19,979	5.3	91
34	Iowa	20,921	20,172	3.7	90
35	Wyoming	20,684	19,977	3.5	89
36	Arizona	20,489	19,389	5.7	88
37	Maine	20,105	19,111	5.2	87
38	South Dakota	19,576	18,934	3.4	84
39	Alabama	19,181	18,256	5.1	83
40	South Carolina	18,998	17,941	5.9	82
41	Louisiana	18,981	18,088	4.9	82
42	Idaho	18,906	18,145	4.2	81
43	Kentucky	18,849	17,931	5.1	81
44	North Dakota	18,625	18,204	2.3	80
45	Oklahoma	18,580	17,880	3.9	80
46	Montana	18,445	17,707	4.2	79
47	Utah	18,232	17,264	5.6	79
48	New Mexico	18,206	17,138	6.2	78
49	Arkansas	18,101	17,182	5.3	78
50	West Virginia	17,687	16,902	4.6	76
51	Mississippi	16,683	15,906	4.9	72

Source: U.S. Department of Commerce, Bureau of Economic Analysis and Bureau of the Census.

there are more people in households in Alaska and more of them are actively earning an income.

Alaska's income sources differ from rest of nation's

Another strength of the personal income data is the inclusion of all income sources. Figure 3 describes the three major sources of income: net earnings; transfer payments; and dividends, interest and rents. Net earnings, most of it being salaries or wages, is the most prominent source of income—and such income is much more important to Alaskans than it is for most other Americans. Alaskans earn more of their income through wages because a bigger portion of the Alaskan population is active in the labor force. The state as a whole is younger, at its prime working age, and female participation in the work force is considerably higher for Alaska than for the national average.

Transfer payments are another major source of income. They include mostly public disbursements such as unemployment payments, social security, medicare/medicaid, federal retirements, veteran benefits, welfare and other public transfers of income. Nationally, social security is the single biggest slice of transfer payments. However, in Alaska, it is a much smaller player because of the state's demographics. Alaska's over-65 population is only a third as large as the nation's share of the senior population. Nevertheless, Alaska's transfer slice of the personal income pie is nearly identical to that of the rest of the nation because included are the Permanent Fund Dividend and the Longevity Bonus programs, both unique to Alaskans. Without Permanent Fund Dividends, Alaska's small per capita income advantage would disappear.

The dividend, interest and rents source of personal income is considerably smaller in Alaska. The reasons are not completely evident. Part or most of the explanation may be because Alaska's population is younger. This, in turn, means Alaska's population has had less time to accumulate the kind of wealth that pays dividends, interest, or rents. It may also be exacerbated by the fact that

many Alaskans, when they reach retirement age, leave the state, sell their properties, or take their assets with them.

$757 million flows out of the state

The Bureau of Economic Analysis (BEA) adjusts income for residency. They subtract income earned in the state by nonresidents and add it to states where the income earners live. Not surprisingly, there is a negative income flow out of Alaska. In 1995, the state lost $757 million to nonresidents.

Lots of income disparity in the state

Besides statewide personal income data, BEA also produces personal income data for the state's boroughs, municipalities and census areas. (See Table 4 and map on page 11.) These income data are a bit more dated than the statewide information—the most recent data are for 1994.

Not surprisingly, much of the income disparity is split along rural/urban lines. In a majority of the state's rural areas, per capita income comes in below both the statewide average and the national average. If an adjustment for the cost of living is made, the disparity becomes even more dramatic. Lack of employment income and business earnings emphasizes these differences. Rural Alaska's larger families with fewer wage earners, and its younger population, also have the effect of depressing income. Transfer income also plays a bigger role in rural Alaska. For example, in the Bethel census area, where the per capita income ranks next to last in the state, nearly a third of its income comes from transfer payments compared to 17.5% statewide.

There are, however, many exceptions to the rural/urban split. For example, in some of the state's urban areas, such as the Fairbanks North Star Borough and the Matanuska-Susitna Borough, per capita income comes in substantially below both the statewide and the national average. The flip side of this becomes evident in rural boroughs, such as the North Slope and the Bristol Bay Boroughs, that enjoy per capita income substantially above the statewide average.

Table • 3

Median Household Income—1995
Alaska is Number One

Rank	State	Median Household Income 1995	Household Income as Percent of U.S. Average
1	**ALASKA**	$47,954	141
2	New Jersey	43,924	129
3	Hawaii	42,851	126
4	Maryland	41,041	120
5	Wisconsin	40,955	120
6	Colorado	40,706	119
7	Connecticut	40,243	118
8	New Hampshire	39,171	115
9	Massachusetts	38,574	113
10	Illinois	38,071	112
11	Minnesota	37,933	111
12	California	37,009	109
13	Utah	36,480	107
14	Michigan	36,426	107
15	Oregon	36,374	107
16	Virginia	36,222	106
17	Nevada	36,084	106
18	Washington	35,568	104
19	Iowa	35,519	104
20	Rhode Island	35,359	104
21	Ohio	34,941	103
22	Delaware	34,928	103
23	Missouri	34,825	102
24	Pennsylvania	34,524	101
25	Georgia	34,099	100
	UNITED STATES	34,076	100
26	Maine	33,858	99
27	Vermont	33,824	99
28	Indiana	33,385	98
29	New York	33,028	97
30	Nebraska	32,929	97
31	Idaho	32,676	96
32	Texas	32,039	94
33	North Carolina	31,979	94
34	Wyoming	31,529	93
35	Arizona	30,863	91
36	District of Columbia	30,748	90
37	Kansas	30,341	89
38	Kentucky	29,810	87
39	Florida	29,745	87
40	South Dakota	29,578	87
41	North Dakota	29,089	85
42	South Carolina	29,071	85
43	Tennessee	29,015	85
44	Louisiana	27,949	82
45	Montana	27,757	81
46	Mississippi	26,538	78
47	Oklahoma	26,311	77
48	Alabama	25,991	76
49	New Mexico	25,991	76
50	Arkansas	25,814	76
51	West Virginia	24,880	73

Source: U. S. Department of Commerce, Bureau of the Census.

T a b l e • 4

Alaska's Per Capita Income by Borough and Census Area 1990-1994

	1990	1991	1992	1993	1994	Percent of U.S.	Rank in State	1993-94 Percent Change
ALASKA	$20,887	$21,552	$22,006	$22,801	$23,344	106	--	2.4
UNITED STATES	18,667	19,636	20,581	21,224	22,047	100	--	3.9
Area Name:								
Aleutians East Borough	17,477	19,953	23,490	20,095	21,561	98	16	7.3
Aleutians West Census Area	16,481	18,315	21,349	20,487	23,115	105	11	12.8
Anchorage, Municipality of	24,119	24,791	25,221	26,358	27,026	123	4	2.5
Bethel Census Area	12,956	13,594	14,230	15,327	15,379	70	26	0.3
Bristol Bay Borough	28,259	30,578	29,728	28,657	31,950	145	1	11.5
Denali Borough	-	19,976	19,880	22,347	22,280	101	15	-0.3
Dillingham Census Area	17,301	20,703	21,348	21,419	22,323	101	14	4.2
Fairbanks North Star Borough	17,195	17,706	18,631	19,115	19,318	88	18	1.1
Haines Borough	24,806	24,466	24,639	26,207	26,226	119	7	0.1
Juneau Borough	23,666	24,304	25,285	25,906	27,278	124	3	5.3
Kenai Peninsula Borough	20,803	21,271	21,579	22,771	23,081	105	12	1.4
Ketchikan Gateway Borough	26,236	26,333	26,964	28,451	29,148	132	2	2.4
Kodiak Island Borough	20,087	20,119	20,082	20,461	20,715	94	17	1.2
Lake & Peninsula Borough	-	16,537	17,435	18,793	18,803	85	19	0.1
Matanuska-Susitna Borough	15,319	15,470	15,850	16,466	16,715	76	22	1.5
Nome Census Area	13,788	14,132	15,130	16,000	16,573	75	23	3.6
North Slope Borough	23,255	24,135	22,895	24,478	26,270	119	6	7.3
Northwest Arctic Borough	14,524	15,158	16,188	17,416	17,544	80	21	0.7
Prince of Wales-Outer Ketchikan C.A.	17,994	17,311	16,904	16,712	16,517	75	24	-1.2
Sitka Borough	22,235	22,981	22,334	22,628	23,631	107	10	4.4
Skagway-Yakutat-Angoon Census Area	21,579	23,267	23,218	-	-	-	-	-
Skagway-Hoonah-Angoon Census Area	-	-	-	23,992	22,455	102	13	-6.4
Southeast Fairbanks Census Area	15,369	16,543	17,306	17,848	18,385	83	20	3.0
Valdez-Cordova Census Area	22,837	23,824	26,021	26,404	26,689	121	5	1.1
Wade Hampton Census Area	10,173	9,866	9,755	10,515	10,633	48	27	1.1
Wrangell-Petersburg Census Area	23,662	24,549	24,103	24,230	25,034	114	8	3.3
Yakutat Borough	-	-	-	22,651	23,937	109	9	5.7
Yukon-Koyukuk Census Area	14,188	13,862	14,688	15,419	16,128	73	25	4.6

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Alaska's wages rise slowly

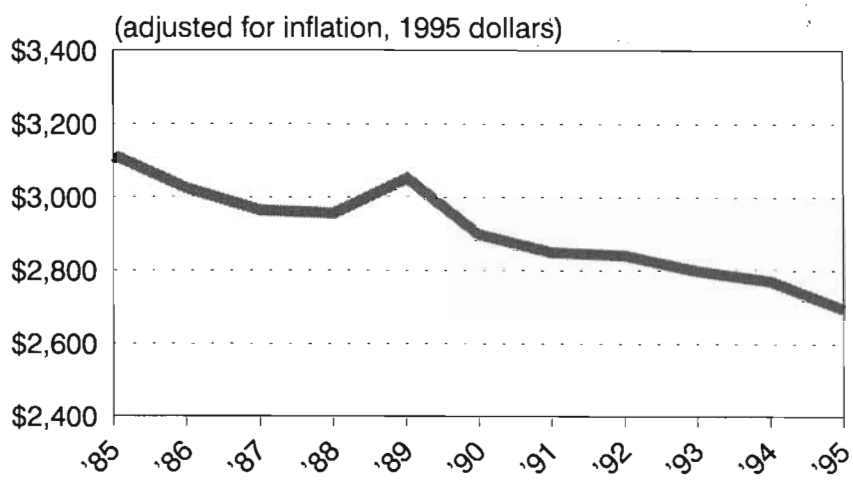
Alaska's 1995 average monthly wage came in at $2,691, two dollars higher than 1994's wage. (See Table 5.) During the past decade, gains in Alaska's average monthly wage have been small. After adjusting for inflation, the state's average monthly wage has lost ground in every year except 1989. (See Figure 4.) Given the sluggish wage picture, and the fact that wages account for 64% of Alaskans' income, it is not surprising that Alaska's per capita income relative to the rest of the nation has lost ground.

Before reading too deeply into these wage trends, it is important to view these data cautiously—more so than income data. Because average monthly wage data are subject to a variety of influences, interpretation of the average wage level is difficult. Average monthly wage statistics are simply the result of dividing gross annual payroll by the total number of jobs. For example, a full-time job and part-time job both carry the same weight in the job counts. Moreover, changes in the industrial and occupational mix affect the average monthly wage. Additionally, the average number of hours worked will also sway the average monthly wage.

The change in the state's industrial mix probably explains most of the reason for the sluggish growth in the average monthly wage. Currently, higher paying industries, such as construction, oil, and the public sector, account for a smaller percent of all jobs than they did a decade ago. Lower wage industries, such as retail trade and services, have become bigger players in the number of jobs they provide. (See Figure 5.) In 1985, the former group was responsible for 41% of all wage and salary employment, versus 36% in 1995, and retail trade and services' share of total employment grew from 35% to 40% during the same time period. The entire explanation for this listless growth in wages does not lie at the door step of a changing industry mix. There are other factors which will be discussed below.

Figure • 4

Alaska's Average Monthly Wage Has Been Falling for Awhile



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

Oil's wages still lead and retail's trail.

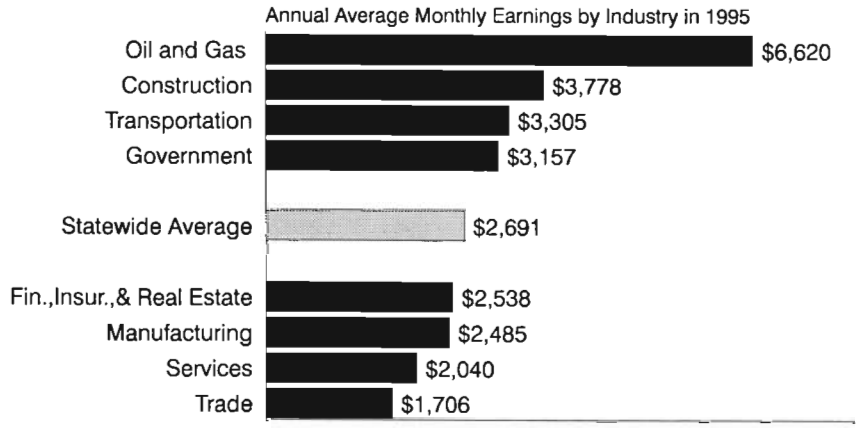
The top place for the average monthly wage goes to the oil and gas industry at $6,620. (See Table 5.) High wages, long hours and a predominant full-time work force put this industry over the top year-in and year-out. On the opposite end of the spectrum is retail trade's monthly wage of $1,499—an industry dominated by low wages and a preponderance of part-time employment. The rest of the state's industry wages fall in between.

Just like the total average monthly wage, most of the industries have been making little headway in recent years. After adjusting wages for inflation, only the federal government's wages have made any headway. Most other industries have lost ground, and in some cases the losses were significant. For example, inflation-adjusted average monthly wages in the construction industry declined 12% between 1990-1995, and retail trade's fell by 8%.

There is also some variation in the average monthly wage by geographic area. (See Table 6.) Most of this variation is a result of the differing industries' mix. For example, the North Slope Borough's average monthly wage of $4,990 was nearly twice as high as the statewide average. However, it is important to remember that, unlike income,

Figure • 5

How the Wage and Salary Picture Stacks Up



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

Table • 5

Alaska's Average Monthly Wage by Industry 1985-1995

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Statewide Average	$2,369	$2,345	$2,308	$2,310	$2,452	$2,471	$2,540	$2,618	$2,660	$2,689	$2,691
Mining	5,311	4,921	5,171	5,126	5,249	5,438	5,713	6,196	6,205	6,308	6,444
Oil & Gas	4,987	5,398	5,273	5,272	5,399	5,582	5,830	6,400	6,366	6,490	6,620
Construction	3,383	3,425	3,315	3,399	3,501	3,671	3,473	3,506	3,664	3,833	3,779
Manufacturing	2,000	2,019	2,116	2,143	2,334	2,336	2,369	2,448	2,478	2,446	2,485
Trans., Comm. & Utilities	2,797	2,896	2,718	2,699	3,395	2,897	2,987	3,122	3,176	3,279	3,305
Trade	1,546	1,610	1,409	1,487	1,566	1,620	1,635	1,681	1,674	1,680	1,706
Wholesale	2,558	2,601	2,484	2,468	2,547	2,684	2,756	2,825	2,833	2,842	2,793
Retail	1,316	1,376	1,272	1,274	1,339	1,394	1,408	1,457	1,448	1,463	1,499
Finance, Ins. & Real Estate	2,252	2,173	2,258	2,216	2,187	2,255	2,305	2,417	2,521	2,505	2,539
Services	1,719	1,802	1,655	1,692	1,802	1,864	1,912	1,992	2,039	2,024	2,039
Government	2,627	2,565	2,641	2,641	2,685	2,739	2,888	2,973	3,063	3,146	3,157
Federal	2,348	2,298	2,414	2,520	2,555	2,686	2,822	2,986	3,112	3,148	3,273
State	2,887	2,829	2,895	2,859	2,882	2,962	3,163	3,202	3,298	3,365	3,369
Local	2,617	2,539	2,615	2,567	2,623	2,610	2,679	2,802	2,870	2,993	2,951

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

Table • 6

Alaska's Average Monthly Wage by Census Area 1985-1995

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Statewide Average	$2,369	$2,345	$2,308	$2,310	$2,452	$2,471	$2,540	$2,618	$2,660	$2,689	$2,691
Aleutian Islands Census Area*	1,875	1,892	2,009	—	—	—	—	—	—	—	
Aleutians East Borough*	—	—	—	2,008	1,959	1,930	2,042	2,042	1,968	1,988	2,031
Aleutians West Census Area*	—	—	—	—	—	—	2,266	2,423	2,312	2,411	2,544
Anchorage, Municipality of	2,346	2,385	2,363	2,378	2,495	2,568	2,637	2,733	2,797	2,824	2,789
Bethel Census Area	1,756	1,830	1,743	1,727	1,873	1,877	1,958	2,047	2,064	2,046	2,038
Bristol Bay Borough	1,860	1,960	2,013	1,970	2,297	2,206	2,319	2,414	2,430	2,431	2,556
Denali Borough**	—	—	—	—	—	—	2,966	2,550	2,473	2,523	2,569
Dillingham Census Area	1,858	1,863	1,828	1,850	1,925	2,046	2,084	2,175	2,153	2,174	2,251
Fairbanks North Star Borough	2,432	2,347	2,320	2,236	2,282	2,320	2,351	2,441	2,433	2,430	2,480
Haines Borough	2,089	2,237	2,360	2,373	2,794	1,989	1,988	2,029	1,987	2,131	2,296
Juneau Borough	2,295	2,320	2,341	2,339	2,355	2,382	2,518	2,622	2,657	2,664	2,684
Kenai Peninsula Borough	2,343	2,255	2,169	2,245	2,558	2,438	2,444	2,457	2,458	2,473	2,476
Ketchikan Gateway Borough	2,099	2,107	2,138	2,178	2,310	2,390	2,518	2,564	2,593	2,579	2,660
Kodiak Island Borough	1,968	1,620	1,757	1,807	2,373	1,873	1,974	2,146	2,269	2,135	2,152
Lake and Peninsula Borough**	—	—	—	—	—	3,900	1,693	1,707	1,637	1,622	1,739
Matanuska-Susitna Borough	1,725	1,976	1,974	1,968	2,063	2,081	2,133	2,209	2,279	2,306	2,344
Nome Census Area	1,970	1,988	2,022	2,024	2,200	2,114	2,078	2,156	2,158	2,260	2,310
North Slope Borough	4,681	4,341	4,079	4,053	4,225	4,414	4,613	4,680	4,818	4,821	4,990
Northwest Arctic Borough	1,951	1,914	1,958	2,122	2,275	2,427	2,619	2,777	2,842	2,782	2,874
Prince of Wales-Outer Ketchikan C.A.	1,937	2,039	1,954	2,089	2,293	2,297	2,220	2,360	2,435	2,409	2,477
Sitka Census Area	2,000	2,009	2,040	2,045	2,097	2,098	2,247	2,323	2,325	2,239	2,233
Skagway-Hoonah-Angoon C.A.	—	—	—	—	—	—	—	—	2,329	2,161	2,072
Skagway-Yakutat-Angoon C.A.	1,759	1,786	1,746	1,807	2,138	2,224	2,321	2,335	—	—	—
Southeast Fairbanks Census Area	1,900	2,036	1,914	1,890	1,950	1,990	2,147	2,019	2,069	2,464	2,416
Valdez-Cordova Census Area	2,507	2,483	2,475	2,417	4,109	2,673	2,799	2,947	2,942	2,913	2,882
Wade Hampton Census Area	1,414	1,450	1,570	1,452	1,613	1,431	1,483	1,505	1,464	1,520	1,526
Wrangell-Petersburg Census Area	2,098	2,058	2,006	2,065	2,180	2,138	2,213	2,223	2,297	2,318	2,267
Yakutat Borough**	—	—	—	—	—	—	—	—	2,036	2,315	2,530
Yukon-Koyukuk Census Area	2,063	2,090	2,046	2,082	2,144	2,069	1,922	1,944	1,896	2,528	2,681

**Aleutian Islands Census Area split into Aleutians East Borough and Aleutians West Census Area in 1988.*
***Newly formed boroughs.*
Source: Alaska Department of Labor, Research and Analysis Section.

which is resident adjusted, wage earnings are not. This means that a big share of the North Slope wages is earned by workers who live elsewhere in the state or the nation. However, generally speaking, those areas in the state with high average monthly wages also have higher per capita incomes. This is not a surprising result, since so much of Alaska's personal income comes from wages.

Alaska ranks fourth in wages

Although Alaska's state ranking in average annual pay has slipped over the years, its annual pay ranking compared with the rest of the nation's is considerably better than its per capita income ranking. (See Table 7.) The average annual pay is simply calculated by multiplying the average monthly wage by 12. There may be many reasons why Alaska's pay standing is higher than its income standing. Wages around the nation including Alaska have been making little headway in recent years. On the other hand, dividend, rent and interest income has enjoyed stronger growth. Since this type of income is a smaller player in Alaska, it may help explain the difference between the ranking of per capita income and wages.

In 1995 Alaska's poverty rate was low

According to the U.S. Census Bureau, Alaska's 1995 incidence of poverty registered the second lowest in the nation. (See Table 8.) This is not a surprising result, given the state's higher incomes and wages. However, a few cautions should be exercised before any significant judgments are made. First, these data are not adjusted for a higher cost-of-living. If they were, however, Alaska's poverty rate probably still would fall below the national average. Secondly, the sample size used by the Bureau to calculate this rate was relatively small. However, even when a three-year average is used to eliminate some of the potential error, the rate remains relatively low at 8.8%. This rate is largely a reflection of urban Alaska because this is where most people in the state live. As with income data, if more

T a b l e • 7

Average Annual Pay by State 1995

Rank		1995	1995 percent of U.S.
1	District of Columbia	$42,453	152
2	Connecticut	35,127	126
3	New York	34,938	125
4	New Jersey	34,534	124
5	**ALASKA**	32,685	117
6	Massachusetts	32,352	116
7	California	30,716	110
8	Michigan	30,543	110
9	Illinois	30,099	108
10	Maryland	29,133	105
11	Delaware	29,120	105
12	Pennsylvania	27,904	100
	UNITED STATES	27,845	100
13	Washington	27,453	99
14	Minnesota	27,383	98
15	Colorado	27,122	97
16	Hawaii	26,977	97
17	Texas	26,900	97
18	Virginia	26,894	97
19	Ohio	26,867	96
20	Nevada	26,647	96
21	New Hampshire	26,602	96
22	Rhode Island	26,375	95
23	Georgia	26,303	94
24	Oregon	25,833	93
25	Missouri	25,669	92
26	Indiana	25,571	92
27	Arizona	25,324	91
28	Wisconsin	25,099	90
29	Tennessee	25,046	90
30	Florida	24,710	89
31	North Carolina	24,402	88
32	Alabama	24,396	88
33	Louisiana	23,894	86
34	Kansas	23,709	85
35	Utah	23,626	85
36	Vermont	23,583	85
37	Kentucky	23,490	84
38	West Virginia	23,489	84
39	South Carolina	23,292	84
40	Maine	23,117	83
41	New Mexico	22,960	82
42	Iowa	22,875	82
43	Idaho	22,839	82
44	Oklahoma	22,671	81
45	Nebraska	22,368	80
46	Wyoming	22,351	80
47	Arkansas	21,590	78
48	Mississippi	21,120	76
49	Montana	20,516	74
50	North Dakota	20,492	74
51	South Dakota	19,931	72

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Table • 8

Percent of Persons in Poverty by State—1995

Rank	STATE	Percent of Persons in Poverty 1995
1	New Hampshire	5.3
2	**ALASKA**	7.1
3	New Jersey	7.8
4	Utah	8.4
5	Wisconsin	8.5
6	Colorado	8.8
7	Minnesota	9.2
8	Missouri	9.4
9	Indiana	9.6
10	Nebraska	9.6
11	Connecticut	9.7
12	Maryland	10.1
13	Virginia	10.2
14	Vermont	10.3
15	Delaware	10.3
16	Hawaii	10.3
17	Rhode Island	10.6
18	Kansas	10.8
19	Massachusetts	11.0
20	Nevada	11.1
21	Oregon	11.2
22	Maine	11.2
23	Ohio	11.5
24	North Dakota	12.0
25	Georgia	12.1
26	Wyoming	12.2
27	Iowa	12.2
28	Michigan	12.2
29	Pennsylvania	12.2
30	Illinois	12.4
31	Washington	12.5
32	North Carolina	12.6
	UNITED STATES	13.8
33	South Dakota	14.5
34	Idaho	14.5
35	Kentucky	14.7
36	Arkansas	14.9
37	Montana	15.3
38	Tennessee	15.5
39	Arizona	16.1
40	Florida	16.2
41	New York	16.5
42	West Virginia	16.7
43	California	16.7
44	Oklahoma	17.1
45	Texas	17.4
46	Louisiana	19.7
47	South Carolina	19.9
48	Alabama	20.1
49	District of Columbia	22.2
50	Mississippi	23.5
51	New Mexico	25.3

Source: U.S. Department of Commerce, Bureau of the Census.

geographic details on poverty rates were available, significant disparities around the state would certainly exist—with rates considerably higher in most of rural Alaska.

Alaska's poverty guidelines

The poverty income guidelines shown in Table 9 are used to determine eligibility of individuals and families for a number of federal and state programs. They were not used to determine the incidence of poverty in Table 8. The poverty guidelines are adjusted for Alaska by adding a 25% cost-of-living adjustment to the national guidelines. Each year these figures are updated to reflect the change in the U.S. consumer price index.

Summary—Alaska's income and wages grow slowly

Alaska's personal income grew by 2.8% in 1995, which represents one of the weakest performances in the past decade. After adjusting the income level for increases in the cost of living, little or no growth occurred in 1995. This trend of slow income growth is not a new trend. As a result, Alaska continues to lose ground compared with the rest of the nation. Alaska's per capita income portion has slipped to 12th place and presently holds only a 3% lead over the national average. However, with regard to median household income, Alaska continues to rank number one and enjoys a considerable advantage over the rest of the nation.

Around the state, the income picture varies. Typically, higher incomes occur in urban Alaska, and the lowest incomes are found in rural parts of the state. However, there are several exceptions to this rule worth noting.

The wage trends in the state moved largely in unison with the income picture. Since wages play such a big role for Alaskans, this is no big surprise. Average wage growth has been lackluster, and this holds true for most industries. While the oil industry's wages remain the highest in the state, retail trade's are the lowest.

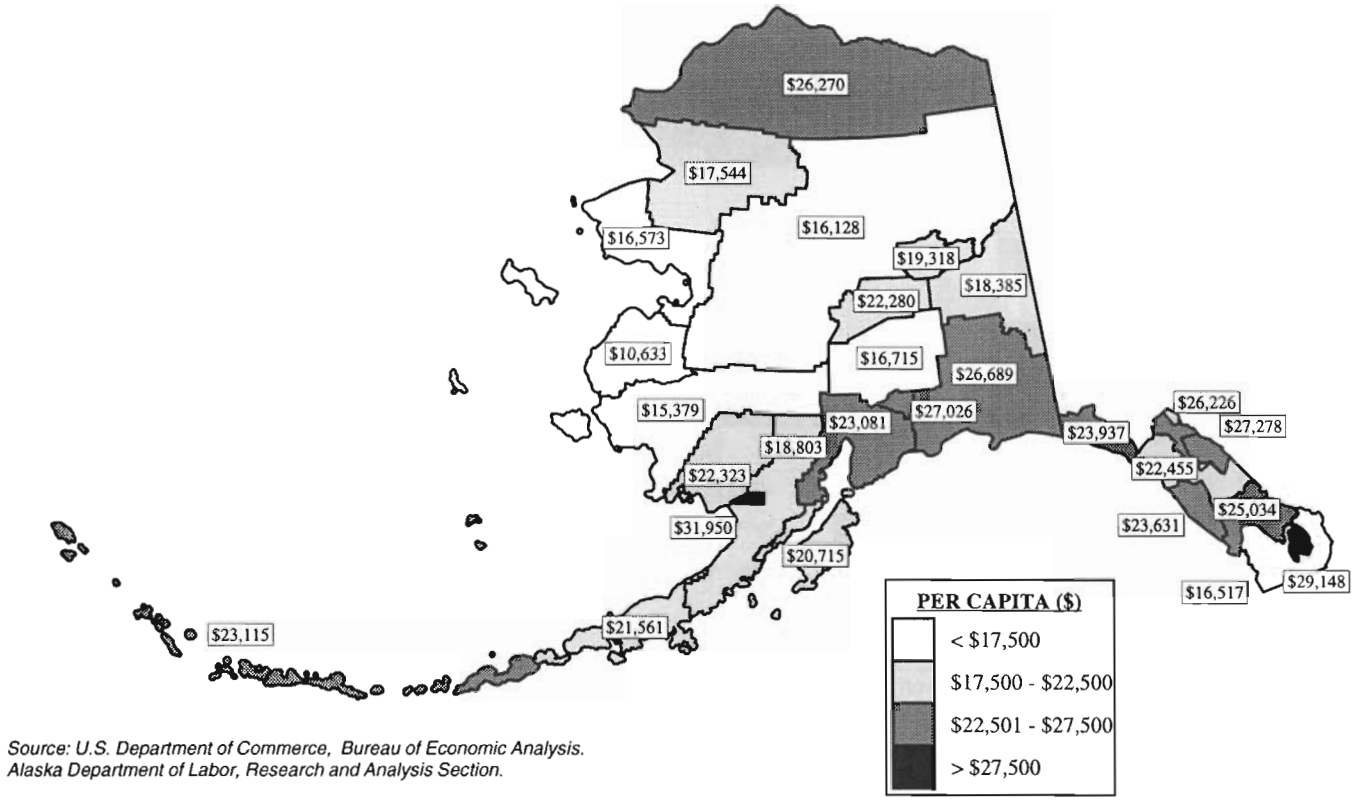
Table • 9

Federal Poverty Guidelines for Alaska, 1996

Size of family	Income limit
1	$ 9,660
2	12,940
3	16,220
4	19,500
5	22,780
6	26,060
7	29,340
8	32,620
For each additional family member add:	$3,280

Source: Federal Register, 1996, U.S. Department of Health and Human Services.

Per Capita Income by Borough and Census Area 1994



Source: U.S. Department of Commerce, Bureau of Economic Analysis.
Alaska Department of Labor, Research and Analysis Section.

August Jobless Rate Drops to 5.5%

by John Boucher

Alaska's statewide unemployment rate fell eight-tenths of a percentage point in August to 5.5%. This probably will be the lowest unemployment rate recorded during 1996, as September's jobless rate is expected to begin the unemployment rate's annual climb to its winter high point. Despite the relatively sharp drop, Alaska's unemployment rate remained higher than the comparable national unemployment rate, which was 5.1% in August. While the nation's unemployment rate has shown improvement, Alaska's unemployment rate continues to post increases when compared to year-ago levels. Last August, the statewide unemployment rate was 5.4%. (See Table 5.)

While Alaska's unemployment rate has crept higher this year compared to 1995, it is relatively low when looked at in an historical context. August's 5.5% unemployment rate is among the lowest rate for any month for the last 18 years. (Comparable unemployment statistics for the period prior to 1978 are not available.) The only time the state's unemployment rate has been significantly lower was in August 1989, at the height of the cleanup effort following the *Exxon Valdez* oil spill. Then, the rate was 5.0%.

Low unemployment rate contradicts other economic signals

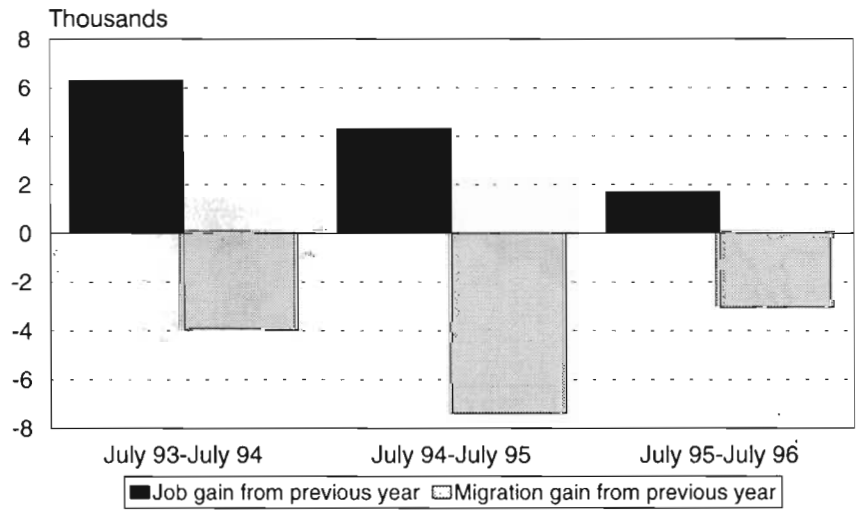
Since August's unemployment rate of 5.5% is among the lowest levels since 1978, it might be assumed that Alaska's economy is turning in a strong performance. However, other economic indicators do not support this conclusion. Lackluster wage and salary job growth, struggling fisheries and timber sectors, and slow income growth are evidence of a less than robust economy.

Why does Alaska's unemployment rate indicate one of the best economic times in recent memory, while other signs show Alaska's economy is struggling? Other indicators help explain the seeming contradiction. First, Alaska's wage and salary job statistics show steady job growth over the past several years. This translates into an increase in the number of job opportunities available to Alaskans. From July 1993 to July 1996, Alaska's wage and salary employment base grew by a little more than 12,000 jobs. (See Figure 1.)

While the number of jobs increased, net migration to Alaska has been negative for three consecutive years. (Net migration is estimated by taking the number of individuals entering the state and subtracting the number of individuals leaving the state.) From July 1993 to July 1996, the net number of migrants to Alaska decreased by a little over 14,000 people. This means that the net number of people moving to Alaska who could potentially fill the additional wage and salary jobs was negative.

Figure • 1

Job Creation Has Countered Net Migration
Change in Employment and Net Migration 1993-1996



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

Previous employment expansions have been marked by an increase in the number of workers migrating to Alaska to fill the jobs that were being created. Since 1970, the periods of highest net migration occurred during the construction of the Trans-Alaska pipeline, the oil-revenue-driven boom of the early 1980s, and the oil-spill-assisted recovery of the early 1990s. (See Table 4.) The negative rate of net migration means that employers must increasingly rely upon the state's existing resident labor force to fill additional wage and salary jobs. This trend helps explain the relatively low unemployment rates of the past several years.

Military, layoffs, national economy, and wages factor into negative net migration

There are several reasons for declining net migration to Alaska. Military base closures and realignments have played a prominent role in increasing the number of individuals leaving the state. While departing uniformed military personnel are not a factor in reducing the available civilian work force, the loss of military spouses and their working age children retards the growth of the available work force.

Some high profile layoffs, such as the temporary closure of the Greens Creek Mine, the Sitka pulp mill, the ARCO Alaska layoff, and the MarkAir/MarkAir Express shutdown, have also contributed to the outflow of workers.

Another significant factor in negative net migration is that the national economy is experiencing the lowest level of unemployment since the late 1980s. Previous periods of increased net migration have generally occurred when the national economy was struggling and Alaska's economy was thriving. Unemployed individuals are more reluctant to relocate to Alaska if opportunities to find employment near their current residences are better.

In addition to these factors, the nature of Alaska's recent employment expansion could also be influencing decisions to relocate to Alaska. Previous employment expansions have been characterized by surges in Alaska's higher paying industries like the oil and construction industries. Many of the jobs created during the last three years have been in the retail trade and services sectors. (See Figure 2.) One result of this change has been slower growth in the average wage in Alaska than in many other places in the nation. The image of Alaska as a place where an unemployed individual can land a high wage job has run head on into the reality of little or no employment growth in Alaska's higher wage industries.

Ketchikan, Prince of Wales brace for pulp mill closure

As of this writing, the closure of the Louisiana-Pacific pulp mill in Ketchikan is slated for March 1997. Louisiana-Pacific has yet to determine whether sawmill operations will continue. The pulp mill, with its associated sawmills and logging operations, is the largest single private employer in Southeast Alaska. This employer has been an integral part of the region's economy during the past 40 years.

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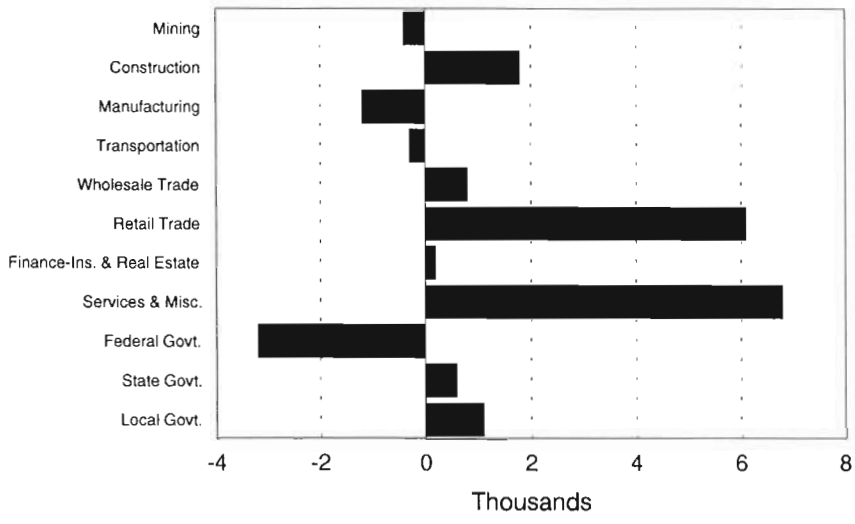
Figure • 2

Services and Retail Lead the Job Gain
Change in Employment by Industry: July 1993-July 1996



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

T a b l e • 1

Nonagricultural Wage and Salary Employment by Place of Work

Alaska	p/ 8/96	r/ 7/96	Changes from 8/95	Changes from 7/96	Changes from 8/95
Total Nonag. Wage & Salary	282,900	283,600	282,700	-700	200
Goods-producing	50,000	51,900	51,400	-1,900	-1,400
Mining	10,100	10,200	10,400	-100	-300
Construction	17,100	16,200	16,800	900	300
Manufacturing	22,800	25,500	24,200	-2,700	-1,400
Durable Goods	3,600	3,600	3,800	0	-200
Lumber & Wood Products	2,300	2,400	2,600	-100	-300
Nondurable Goods	19,200	21,900	20,400	-2,700	-1,200
Seafood Processing	16,000	18,700	17,200	-2,700	-1,200
Pulp Mills	500	500	500	0	0
Service-producing	232,900	231,700	231,300	1,200	1,600
Transportation	24,700	24,700	24,800	0	-100
Trucking & Warehousing	3,400	3,500	3,400	-100	0
Water Transportation	2,600	2,500	2,600	100	0
Air Transportation	7,700	7,700	7,900	0	-200
Communications	3,800	3,900	3,700	-100	100
Trade	59,300	59,300	58,500	0	800
Wholesale Trade	9,300	9,300	9,300	0	0
Retail Trade	50,000	50,000	49,200	0	800
Gen. Merch. & Apparel	9,500	9,400	9,500	100	0
Food Stores	7,600	7,700	7,500	-100	100
Eating & Drinking Places	17,600	17,500	17,200	100	400
Finance-Ins. & Real Estate	11,900	11,800	12,000	100	-100
Services & Misc.	67,000	66,600	65,300	400	1,700
Hotels & Lodging Places	8,700	8,800	8,700	-100	0
Health Services	13,800	13,700	13,400	100	400
Government	70,000	69,300	70,700	700	-700
Federal	17,600	17,800	18,300	-200	-700
State	20,200	20,800	20,400	-600	-200
Local	32,200	30,700	32,000	1,500	200

Municipality of Anchorage	p/ 8/96	r/ 7/96	Changes from 8/95	Changes from 7/96	Changes from 8/95
Total Nonag. Wage & Salary	124,900	124,200	124,500	700	400
Goods-producing	12,900	12,600	13,400	300	-500
Mining	2,600	2,600	2,700	0	-100
Construction	8,000	7,700	8,300	300	-300
Manufacturing	2,300	2,300	2,400	0	-100
Service-producing	112,000	111,600	111,100	400	900
Transportation	12,100	12,000	12,200	100	-100
Air Transportation	4,400	4,400	4,500	0	-100
Communications	2,200	2,100	2,100	100	100
Trade	31,100	30,900	30,700	200	400
Wholesale Trade	6,700	6,600	6,700	100	0
Retail Trade	24,400	24,300	24,000	100	400
Gen. Merch. & Apparel	4,800	4,800	4,900	0	-100
Food Stores	3,200	3,300	3,200	-100	0
Eating & Drinking Places	8,900	8,800	8,600	100	300
Finance-Ins. & Real Estate	7,100	7,100	7,200	0	-100
Services & Misc.	34,600	34,500	33,500	100	1,100
Hotels & Lodging Places	2,600	2,600	2,600	0	0
Health Services	7,000	7,000	6,900	0	100
Government	27,100	27,100	27,500	0	-400
Federal	10,200	10,300	10,600	-100	-400
State	7,500	7,500	7,700	0	-200
Local	9,400	9,300	9,200	100	200

T a b l e • 2

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings p/ 8/96	r/ 7/96	8/95	Average Weekly Hours p/ 8/96	r/ 7/96	8/95	Average Hourly Earnings p/ 8/96	r/ 7/96	8/95
Mining	$1,301.98	$1,249.02	$1,253.41	52.1	51.4	50.5	$24.99	$24.30	$24.82
Construction	1,224.13	1,195.83	1,307.56	47.1	46.1	48.5	25.99	25.94	26.96
Manufacturing	531.72	570.57	580.50	50.4	54.6	53.8	10.55	10.45	10.79
Seafood Processing	468.13	537.26	520.18	53.5	59.3	57.1	8.75	9.06	9.11
Trans., Comm. & Utilities	704.70	684.74	674.20	35.2	34.9	35.9	20.02	19.62	18.78
Trade	415.73	412.63	417.09	34.5	34.3	34.7	12.05	12.03	12.02
Wholesale	650.29	647.84	662.71	38.8	38.7	39.4	16.76	16.74	16.82
Retail	372.39	369.51	373.24	33.7	33.5	33.9	11.05	11.03	11.01
Finance-Ins. & R.E.	472.38	476.48	460.03	35.2	35.4	35.8	13.42	13.46	12.85

Notes to Tables 1-3:

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

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

p/ denotes preliminary estimates.

r/ denotes revised estimates.

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

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

Benchmark: March 1995

Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region

	p/ 8/96	r/ 7/96	Changes from 8/95	7/96	8/95
Total Nonag. Wage & Salary	41,200	40,350	40,900	850	300
Goods-producing	8,650	8,300	8,650	350	0
Mining	300	300	200	0	100
Construction	2,050	2,000	1,950	50	100
Manufacturing	6,300	6,000	6,500	300	-200
Durable Goods	1,850	1,900	2,000	-50	-150
Lumber & Wood Products	1,700	1,700	1,850	0	-150
Nondurable Goods	4,450	4,100	4,500	350	-50
Seafood Processing	3,700	3,400	3,750	300	-50
Pulp Mills	500	500	550	0	-50
Service-producing	32,550	32,050	32,250	500	300
Transportation	3,650	3,550	3,550	100	100
Trade	7,700	7,700	7,600	0	100
Wholesale Trade	550	550	550	0	0
Retail Trade	7,150	7,150	7,050	0	100
Finance-Ins. & Real Estate	1,450	1,450	1,450	0	0
Services & Misc.	7,650	7,600	7,500	50	150
Government	12,100	11,750	12,150	350	-50
Federal	2,050	2,050	2,050	0	0
State	5,200	5,250	5,250	-50	-50
Local	4,850	4,450	4,850	400	0

Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	136,600	135,650	135,800	950	800
Goods-producing	14,050	13,650	14,550	400	-500
Mining	2,550	2,600	2,750	-50	-200
Construction	9,100	8,600	9,200	500	-100
Manufacturing	2,400	2,450	2,600	-50	-200
Service-producing	122,550	122,000	121,250	550	1,300
Transportation	13,100	13,050	13,300	50	-200
Trade	34,150	34,000	33,400	150	750
Finance-Ins. & Real Estate	7,550	7,550	7,650	0	-100
Services & Misc.	37,650	37,500	36,450	150	1,200
Government	30,100	29,900	30,450	200	-350
Federal	10,300	10,400	10,700	-100	-400
State	8,350	8,500	8,450	-150	-100
Local	11,450	11,000	11,300	450	150

Gulf Coast Region

Total Nonag. Wage & Salary	31,750	32,600	32,500	-850	-750
Goods-producing	10,050	10,800	10,750	-750	-700
Mining	1,050	1,100	1,300	-50	-250
Construction	1,500	1,400	1,500	100	0
Manufacturing	7,500	8,300	7,950	-800	-450
Seafood Processing	6,100	6,950	6,550	-850	-450
Service-producing	21,700	21,800	21,750	-100	-50
Transportation	2,450	2,500	2,450	-50	0
Trade	5,900	6,050	5,950	-150	-50
Wholesale Trade	750	800	800	-50	-50
Retail Trade	5,150	5,250	5,150	-100	0
Finance-Ins. & Real Estate	750	750	700	0	50
Services & Misc.	6,350	6,300	6,350	50	0
Government	6,250	6,200	6,300	50	-50
Federal	700	700	700	0	0
State	1,650	1,750	1,750	-100	-100
Local	3,900	3,750	3,850	150	50

Interior Region

	p/ 8/96	r/ 7/96	Changes from: 8/95	7/96	8/95
Total Nonag. Wage & Salary	40,050	40,100	39,050	-50	1,000
Goods-producing	5,100	5,000	4,800	100	300
Mining	1,100	1,150	950	-50	150
Construction	3,350	3,150	3,200	200	150
Manufacturing	650	700	650	-50	0
Service-producing	34,950	35,100	34,250	-150	700
Transportation	3,500	3,500	3,450	0	50
Trade	8,700	8,650	8,500	50	200
Finance-Ins. & Real Estate	1,050	1,050	1,050	0	0
Services & Misc.	9,750	9,750	9,200	0	550
Government	11,950	12,150	12,050	-200	-100
Federal	3,800	3,850	3,900	-50	-100
State	4,100	4,350	4,100	-250	0
Local	4,050	3,950	4,050	100	0

Fairbanks North Star Borough

Total Nonag. Wage & Salary	34,050	34,000	33,350	50	700
Goods-producing	4,300	4,350	3,950	-50	350
Mining	900	900	850	0	50
Construction	2,750	2,850	2,500	-100	250
Manufacturing	650	600	600	50	50
Service-producing	29,750	29,650	29,400	100	350
Transportation	2,750	2,700	2,700	50	50
Trucking & Warehousing	650	600	600	50	50
Air Transportation	550	550	550	0	0
Communications	300	300	300	0	0
Trade	7,850	7,750	7,850	100	0
Wholesale Trade	850	850	850	0	0
Retail Trade	7,000	6,900	7,000	100	0
Gen. Merch. & Apparel	1,250	1,250	1,300	0	-50
Food Stores	800	800	750	0	50
Eating & Drinking Places	2,950	2,950	2,950	0	0
Finance-Ins. & Real Estate	1,000	1,000	950	0	50
Services & Misc.	8,450	8,450	8,250	0	200
Government	9,700	9,750	9,650	-50	50
Federal	3,150	3,100	3,250	50	-100
State	3,950	3,950	3,850	0	100
Local	2,600	2,700	2,550	-100	50

Southwest Region

Total Nonag. Wage & Salary	18,100	19,900	18,650	-1,800	-550
Goods-producing	6,350	8,550	6,950	-2,200	-600
Seafood Processing	5,950	8,100	6,550	-2,150	-600
Service-producing	11,750	11,350	11,700	400	50
Government	4,950	4,650	5,000	300	-50
Federal	550	550	600	0	-50
State	500	550	500	-50	0
Local	3,900	3,550	3,900	350	0

Northern Region

Total Nonag. Wage & Salary	15,850	15,750	15,550	100	300
Goods-producing	5,900	5,850	5,900	50	0
Mining	5,100	5,100	5,150	0	-50
Service-producing	9,950	9,900	9,650	50	300
Government	4,550	4,550	4,550	0	0
Federal	200	200	250	0	-50
State	300	300	300	0	0
Local	4,050	4,050	4,000	0	50

Table • 4

Annual Components for Population Change for Alaska, 1970-1996

July 1 to June 30	End of Period Population	Population Change	Components of Change: Natural Increase	Components of Change: Net Migrants
1969-70	308,500	13,900	5,860	8,040
1970-71	319,600	11,100	5,993	5,107
1971-72	329,800	10,200	5,667	4,533
1972-73	336,400	6,600	5,313	1,287
1973-74	348,100	11,700	5,380	6,320
1974-75	384,100	36,000	5,778	30,222
1975-76	409,800	25,700	6,124	19,576
1976-77	418,000	8,200	6,563	1,637
1977-78	411,600	-6,400	7,014	-13,414
1978-79	413,700	2,100	7,389	-5,289
1979-80	419,800	6,100	7,729	-1,629
1980-81	434,300	14,500	8,174	6,326
1981-82	464,300	30,000	9,008	20,992
1982-83	499,100	34,800	9,866	24,934
1983-84	524,000	24,900	10,374	14,526
1984-85	543,900	19,900	10,694	9,206
1985-86	550,700	6,800	10,446	-3,646
1986-87	541,300	-9,400	9,845	-19,245
1987-88	535,000	-6,300	9,410	-15,710
1988-89	538,900	3,900	9,380	-5,480
1989-90	553,124	14,224	9,634	4,590
1990-91	569,575	16,451	9,599	6,852
1991-92	587,605	18,030	9,473	8,557
1992-93	598,267	10,662	9,067	1,595
1993-94	602,873	4,606	8,571	-3,965
1994-95	603,453	580	7,963	-7,383
1995-96 *	607,800	4,347	7,400	-3,053

*= Provisional
Source: Alaska Department of Labor, Research and Analysis Section, Demographics Unit.

A pulp mill closure represents a significant blow to the Ketchikan and Prince of Wales economies. In 1995, the pulp mill accounted for 8.1% of all private industry wage and salary employment in Ketchikan. Logging and sawmill activity on Prince of Wales accounted for 19.5% of private wage and salary employment on the island. Since this employer pays an above average wage, its contribution to the total wage picture is even more dramatic. In 1995, the pulp mill accounted for 12.8% of all wages paid in Ketchikan, and logging and sawmill wages on Prince of Wales amounted to 31.8% of all private wages paid.

Table • 5

Unemployment Rates by Region & Census Area

Not Seasonally Adjusted	Percent Unemployed p/ 8/96	r/ 7/96	8/95
United States	5.1	5.6	5.6
Alaska Statewide	5.5	6.3	5.4
Anch.-MatSu Region	4.8	5.6	4.8
Municipality of Anchorage	4.2	4.8	4.2
MatSu Borough	7.9	9.1	7.6
Gulf Coast Region	7.7	7.6	6.6
Kenai Peninsula Borough	7.8	9.2	7.7
Kodiak Island Borough	9.0	3.9	3.0
Valdez-Cordova	5.3	6.4	7.0
Interior Region	5.7	6.6	6.0
Denali Borough	2.1	2.6	3.5
Fairbanks North Star Borough	5.5	6.2	5.5
Southeast Fairbanks	7.0	9.2	8.2
Yukon-Koyukuk	11.7	15.1	14.4
Northern Region	8.7	11.8	9.3
Nome	10.2	13.0	11.7
North Slope Borough	3.3	4.9	3.4
Northwest Arctic Borough	14.1	19.2	13.9
Southeast Region	4.7	5.8	4.6
Haines Borough	5.6	6.3	5.8
Juneau Borough	4.5	5.0	4.4
Ketchikan Gateway Borough	4.4	6.5	4.0
Pr. of Wales-Outer Ketchikan	8.4	11.2	6.7
Sitka Borough	4.3	4.3	5.0
Skagway-Hoonah-Angoon	2.9	4.5	3.6
Wrangell-Petersburg	4.6	5.4	5.0
Yakutat Borough	3.9	4.9	2.1
Southwest Region	6.0	7.0	5.9
Aleutians East Borough	3.5	4.9	1.7
Aleutians West	3.0	2.7	1.7
Bethel	7.6	8.9	7.8
Bristol Bay Borough	4.7	4.5	4.8
Dillingham	5.5	6.4	4.1
Lake & Peninsula Borough	6.2	8.8	7.8
Wade Hampton	9.8	11.9	12.6
Seasonally Adjusted			
United States	5.1	5.4	5.6
Alaska Statewide	7.3	7.6	6.7

p/ denotes preliminary estimates *r/ denotes revised estimates*

Benchmark: March 1995

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

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

Alaska Employment Service

Anchorage: Phone 269-4800

Bethel: Phone 543-2210

Dillingham: Phone 842-5579

Eagle River: Phone 694-6904/07

Mat-Su: Phone 376-2407/08

Fairbanks: Phone 451-2871

Glennallen: Phone 822-3350

Kotzebue: Phone 442-3280

Nome: Phone 443-2626/2460

Tok: Phone 883-5629

Valdez: Phone 835-4910

Kenai: Phone 283-4304/4377/4319

Homer: Phone 235-7791

Kodiak: Phone 486-3105

Seward: Phone 224-5276

Juneau: Phone 465-4562

Petersburg: Phone 772-3791

Sitka: Phone 747-3347/3423/6921

Ketchikan: Phone 225-3181/82/83

Alaska Economic Regions

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