

ALASKA ECONOMIC

TRENDS

April 2002

The
Year
2001
In
Review

Alaska Department of Labor
and Workforce Development

Tony Knowles
Governor of Alaska

ALASKA ECONOMIC TRENDS

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Cover photo, the Mendenhall Glacier in Juneau from Chris Miller's sailboat

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The Year 2001 in Review

by Neal Fried, Brigitta Windisch-Cole
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Labor Economists

State maintains healthy growth rate

Year 2001 marked the thirteenth consecutive year of job growth in Alaska, the second longest period of expansion in the state's history. (See Exhibits 1 and 2.) It was another good year for the oil industry, which recorded its second straight year of growth, adding another 1,000 jobs in 2001 after contributing 900 jobs to the state's economy in the year 2000. Construction was also strong, but the biggest portion of 2001's job growth was once again in the services sector.

A year of low unemployment rates

Alaska recorded the second lowest unemployment rate in the state's history in 2001, at 6.3%. The rate dropped three tenths of a percentage point from 2000's rate of 6.6%. The low rates meant that employers often struggled to fill open positions, especially in low-wage industries. In a year that marked the beginning of a national recession, Alaska was one of only a few states that did not see a 2000 to 2001 increase in its unemployment rate.

Geographically the picture was mixed

The Northern region had the largest percentage increase in employment in 2001, as could be expected in a good year for the oil industry. Anchorage and Fairbanks also outpaced the statewide average for employment gains over the year. Anchorage's gains came from a variety of industries, with services, oil, construction, retail trade, and government all contributing. Growth in Fairbanks, too, was broad-based, with significant

Wage & Salary Employment Change — Alaska 2000-2001

	2000	2001	Change	Percent Change
Total Wage & Salary	283,900	290,000	6100	2.1%
Goods-producing	38,300	39,600	1300	3.4%
Service-producing	245,500	250,400	4900	2.0%
Mining	10,200	11,200	1000	9.8%
Oil & Gas Extraction	8,700	9,700	1000	11.5%
Construction	14,100	14,800	700	5.0%
Manufacturing	14,100	13,700	-400	-2.8%
Lumber & Wood Products	1,500	1,200	-300	-20.0%
Seafood Processing	8,500	8,300	-200	-2.4%
Transportation/Comm/Utilities	27,600	28,000	400	1.4%
Trucking & Warehousing	2,900	3,100	200	6.9%
Water Transportation	2,000	2,000	0	0.0%
Air Transportation	9,900	9,900	0	0.0%
Communications	5,500	5,500	0	0.0%
Trade	57,400	58,200	800	1.4%
Wholesale Trade	8,600	8,300	-300	-3.5%
Retail Trade	48,900	49,900	1000	2.0%
Gen. Merch. & Apparel	9,600	10,100	500	5.2%
Food Stores	6,700	6,500	-200	-3.0%
Eating/Drinking Places	17,000	17,500	500	2.9%
Finance/Insurance/Real Estate	12,800	12,700	-100	-0.8%
Services & Misc.*	73,300	73,000	-300	-0.4%
Hotels & Lodging Places	7,200	7,300	100	1.4%
Business Services	9,300	8,900	-400	-4.3%
Health Services	17,000	18,100	1100	6.5%
Legal Services	1,600	1,600	0	0.0%
Social Services	8,100	8,600	500	6.2%
Engineering & Mgmt. Svcs.	7,500	8,100	600	8.0%
Government	74,500	78,500	4000	5.4%
Federal	17,100	16,800	-300	-1.8%
State	22,100	22,900	800	3.6%
Local	35,300	38,800	3500	9.9%
Tribal*	—	3,000	—	—

Benchmark: March 2001. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

* As of Jan. 1, 2001, certain federally recognized tribal entities are counted under Local Government, and no longer under Services.

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

increases in construction, transportation, health care, and government leading the way. The Gulf Coast region managed to show slight over-the-year growth despite job losses in the oil and seafood processing industries. In Southeast, the ongoing loss of manufacturing jobs was barely offset by gains in services, government, and retail trade. Despite another difficult year for its fisheries, the Southwest region managed to avoid a net loss of jobs in 2001. Although local economies struggled with the loss of fishing jobs and income, small employment gains in other industries, including services, helped the region to break even in terms of total job count.

Tribal employers are reclassified

Certain employment in federally-recognized tribal entities was reclassified from services to local government, effective January 2001. The U.S. Department of Labor's Bureau of Labor Statistics mandated the change. Approximately 3,000 employees statewide were moved from the services category to local government. Consequently, 2001 growth in the services-related industries is understated, and government growth—local government in particular—is overstated. The

change is more dramatic in regions with more tribal employers. In the Southwest region, for example, 1,300 employees were moved from services into local government. (See Exhibit 11.) Consequently, it appears that local government, and to a lesser extent all government in the region, grew dramatically, and that the services sector had a bad year. Once allowances are made for the classification change, a clearer picture emerges.

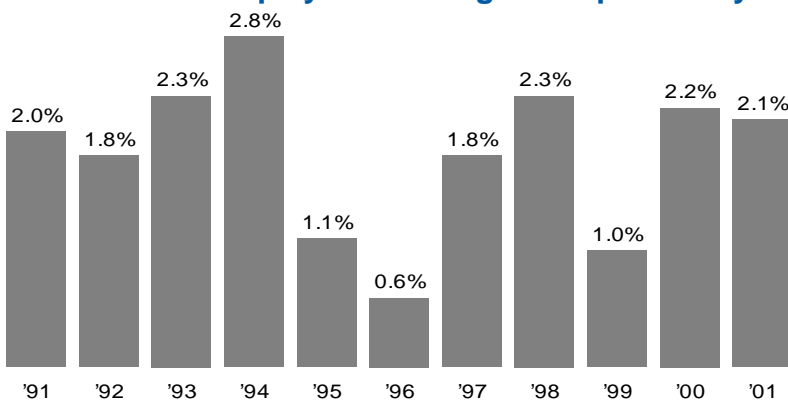
Almost half of new jobs are in services

After accounting for the effect of the tribal employment classification change, services was once again the dominant industry in job growth. Approximately 2,700 service jobs were added in 2001, or 44 percent of the 6,100 total for the year. Health services, social services, and engineering and management services led the way. Alaska's aging population may be creating part of the new demand for health services jobs. Social services continue to grow with the need for counseling, job and vocational training, and child care services.

Tourism-related services showed only slight growth in 2001. Despite several new hotels throughout the state, and the expansion of others, only 100 new jobs were added in the hotel and lodging category.

State Maintains Moderate Growth

Percent employment change from previous year



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

Construction builds on previous growth

Construction added another year of solid growth to a remarkable stretch of stability for the historically volatile industry. After growing 3.0% in 1999, construction jobs increased by 4.3% in 2000. The construction industry then added 700 more jobs in 2001, increasing the growth rate to 5.0%. Alaska led all 50 states in over-the-year growth of residential building permits, issuing 39 percent more in 2001 than in 2000.

More growth in the oil industry

Continued high oil prices helped create new jobs in the major oil companies. Of the 1,000 jobs added to the oil industry in 2001, the oil field services sector was responsible for the biggest percentage. Two consecutive good years in the oil industry are welcome, especially considering what happened in 1999. In that year, low oil prices coincided with mergers and buyouts among the major players and the industry lost 1,300 jobs, a 14 percent decline.

Timber and seafood processing lose jobs

Timber continued its decade-long decline in 2001, losing 300 jobs, or 20 percent of its 2000 total. Job losses in seafood processing were proportionately much smaller. With 200 fewer jobs in 2001 than in 2000, the decline amounted to 2.4%. Largely because of these two industries, the manufacturing sector declined by 2.8% in 2001.

Retail trade up slightly, transportation nearly flat

Retail employment grew by 1,000 jobs in 2001, a modest rate of two percent. Kmart's expansion into the grocery business accounts for some of the change, as does a new Wal-Mart in Ketchikan. Eating and drinking establishments also added 500 jobs over the year.

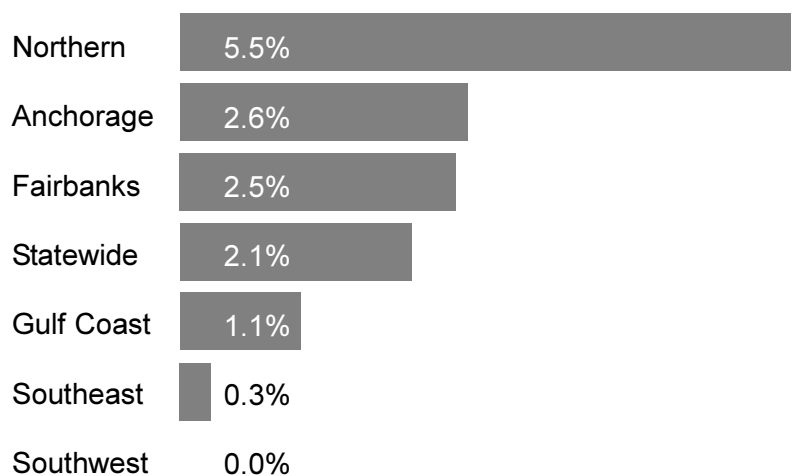
The transportation sector created 400 new jobs in 2001, for a modest growth rate of 1.4%. In light of the effect the September 11 terrorist attacks had on some national air carriers, the picture was surprisingly good. Alaska Airlines actually grew over the year, despite the temporary grounding of all planes and the imposition of added federal security requirements. Job losses and sluggish growth throughout the transportation industries was at least partly due to the national recession and a generally weak international economy.

Losses in federal government jobs, gains in state and local

The federal government ended 2001 with a net job loss of about 300 positions. Only once in the last eight years has the state added federal employment, in 2000 when census workers provided a temporary boost.

In contrast, the job count increased in both state and local governments. The University of Alaska was the major contributor to state government growth, while most of the new local government jobs were in the school districts. As a reminder, much of the growth that appears in local government (see Exhibit 1) is attributable to the change in classification of approximately 3,000 employees of federally-recognized tribal entities.

Northern Region Leads Growth 3 Percent change in employment 2000-2001



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

ANCHORAGE

2001 was another good year

By the end of 2001, Anchorage's employment levels had grown by 2.6%, 3,500 jobs more than a year earlier. In fact, 2001 was a near repeat of the 2000 experience. Employment in 2000 grew by 3,400 jobs or 2.6%. Many of the contributors to this growth were similar for both years. Strong oil patch activity, healthy construction levels, the continued flow of federal dollars and the optimism of 2000 contributed to 2001's above average performance.

This past year was again accompanied by a near record low unemployment rate of 4.3%, two points below the state's jobless rate and half a point below the national average. As a result, job seekers frequently had multiple choices and employers often had a difficult time recruiting workers.

What differentiated 2001 from 2000 was the absence of the giddiness and optimism found in the 2000 economy. The luster of 2000 began to fade in 2001 when oil prices fell below the \$20 per barrel mark and the prospects of a gas line were pushed further into the future. What also removed

some of the sheen from an otherwise good year was a looming billion dollar plus fiscal gap, and fallout surrounding September 11.

The oil patch stayed strong

In 2000, the oil patch made a big rebound and the bounce continued into 2001. Employment in 2001 grew by 400 or 16 percent. More than two years of relatively high oil prices helped sustain this higher level of activity. Most of this growth came from oil field service companies such as VECO and others, but the major producers also added staff. The city got a tremendous boost from the construction of BP's Northstar modules at the Port of Anchorage. VECO's workforce on that project at times numbered more than 500, probably making it Anchorage's largest construction/manufacturing project in 2001. With the completion of the module work in late summer, oil industry activity began to slow considerably. The cumulative effect of two solid years in Anchorage's oil sector was extra loft in 2001 for the overall economy.

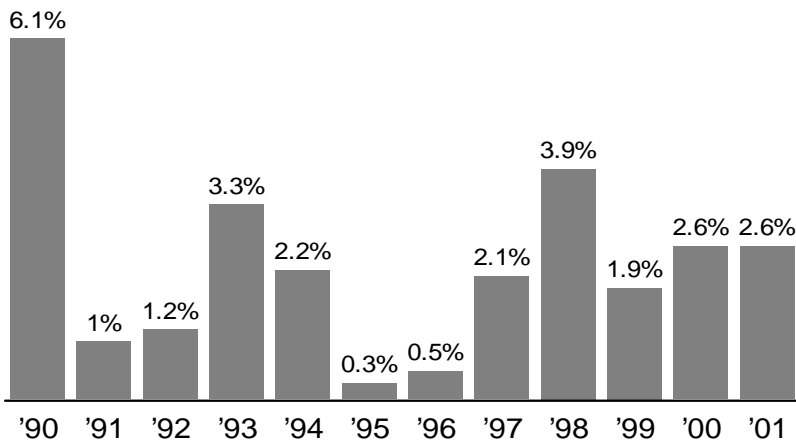
Construction racks up more growth

By growing by nearly nine percent in 2001, construction had its best growth year since 1993. Only the oil industry grew faster. The city's building permit valuations totaled \$599 million in 2001—\$68 million ahead of 2000 levels, representing the biggest year since 1985. This industry owes its health to all sectors, commercial, highway, publicly funded projects and residential construction. The biggest commercial project in 2001 was the new \$10 million office headquarters for the Arctic Slope Regional Corporation, the largest commercial office building built since the early 1980s.

The single largest retail project was construction of a new Fred Meyer store that opened in February. Expansion work continued at the Alaska Native Medical Center, Providence Hospital and Alaska Regional Hospital. A variety of other new office,

4 Anchorage has a Good, Steady Year

Percent employment change from previous year



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

retail, and restaurant space was also being built in 2001. One of the single largest projects in Anchorage was the continuing \$230 million plus expansion of Ted Stevens International Airport. Most of the road work and building demolition work was completed in 2001; work will continue for at least two more years. Military related construction was also an important source of activity. Road construction and the straightening of Alaska Railroad tracks on the bases were big projects in 2001. One of the largest projects was the construction and renovation of more than 628 housing units on Elmendorf Air Force Base, with 120 families moving into some of the units during the year.

Residential activity soared. In 2001, 1,429 new residential units were permitted in Anchorage, an increase of 479 over 2000 levels. The biggest increase came from a tripling in the number of duplex-type units to 332. Permit activity in renovations was also strong, reflecting the growing scarcity of developable land in the Anchorage bowl and the corresponding increase in land values.

Retail grew moderately

Retail employment grew by 500, though no large retailers opened their doors in 2001. The biggest single retail event was the venture of both Anchorage Kmart's into selling groceries. While this created hundreds of new jobs, they had limited impact on the year's retail numbers because they were added in October. Other growth came from the expansion of existing stores or the opening of smaller businesses. Eating and drinking establishments, a sub-category of retail, was the strongest performer, growing by 400. Food store employment continued to fall, largely due to the closure of Market Place stores in late 2000.

Not a growth year for air transportation

Although there was good news in the international cargo business in 2001, such as new routes won

by Anchorage-based carriers, employment related to this business did not grow. With the slowdown in both the national and international economies, the environment for growth was largely absent. Two airlines contributed to this industry's lackluster performance. United Airlines left the international cargo business in late 2000. Its workforce went from 234 in December 2000 to 50 in December 2001. The single largest hit came with the closure of Reeve Aleutian Airways. In October 2000, Reeve had a workforce of 291, which by June 2001 had dwindled to 30. Some air carriers, such as Alaska Airlines continued to grow in 2001, but not enough to offset these other losses. September 11 also put a damper on air transportation during the last quarter of the year.

Wage & Salary Employment Change — Anchorage 2000-2001 5

	2000	2001	Change	Percent Change
Total Nonag. Wage & Salary	134,400	137,900	3,500	2.6%
Goods-producing	11,800	12,900	1,100	9.3%
Service-producing	122,600	125,000	2,400	2.0%
Mining	2,600	3,000	400	15.4%
Oil & Gas Extraction	2,500	2,900	400	16.0%
Construction	7,000	7,600	600	8.6%
Manufacturing	2,200	2,300	100	4.5%
Transportation/Comm/Utilities	15,000	15,300	300	2.0%
Air Transportation	6,200	6,200	0	0.0%
Communications	3,600	3,600	0	0.0%
Trade	31,900	32,300	400	1.3%
Wholesale Trade	6,300	6,200	-100	-1.6%
Retail Trade	25,600	26,100	500	2.0%
Gen. Merchandise & Apparel	5,000	5,200	200	4.0%
Food Stores	2,700	2,400	-300	-11.1%
Eating & Drinking Places	9,500	9,900	400	4.2%
Finance/Insurance/Real Estate	7,700	7,700	0	0.0%
Services & Misc.	39,200	40,500	1,300	3.3%
Hotels & Lodging Places	3,000	3,100	100	3.3%
Business Services	6,800	6,500	-300	-4.4%
Health Services	9,100	9,800	700	7.7%
Engineering & Mgmt. Svcs.	5,500	5,900	400	7.3%
Government	28,800	29,300	500	1.7%
Federal	9,900	9,700	-200	-2.0%
State	8,800	9,100	300	3.4%
Local	10,100	10,400	300	3.0%
Tribal*	—	200	—	—

Benchmark: March 2001. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

* As of Jan. 1, 2001, certain federally recognized tribal entities are counted under Local Government, and no longer under Services.

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

Finance sector stays flat

During the past three years, employment in this relatively small sector has remained largely unchanged. Although it was a good year for real estate and refinancing, consolidation in the industry and other factors kept the numbers from growing. With the Wells Fargo buyout of National Bank of Alaska completed in 2001, employment drifted downward. Wells Fargo closed some branches and moved a number of its operations outside. Employment in other institutions grew, but not enough to offset these losses. In addition, 2001 was a weak year for the stock market, which did not bode well for some of the players in the financial industry.

A third of growth comes from services

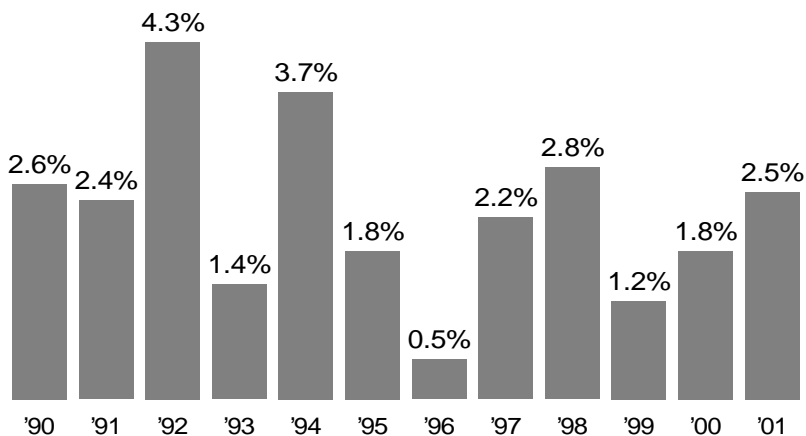
Services contributed 1,300 of the 3,500 new jobs created in Anchorage, making it the only industry to generate more than 1,000 new jobs in the city. And not surprisingly, health care, the largest slice of the services industry, was again the leading source of new jobs. Health care in Anchorage represents more jobs than any of the following industries: construction, mining (which includes

oil), the finance sector, manufacturing, federal (civilians) and state government. By the end of the year, health care employment had grown by 700 or 7.7%. Another source of hefty increases came from engineering and management services. The strength in the oil and construction industries helps explain some of these gains. Social services also made impressive gains, which may be a reflection of the big increases in federal grant money received in the state. Visitor-related effects on services are more difficult to calculate and had less clarity this past year. Most industry players reported a lackluster performance for the past year but hotel employment crept up slightly in 2001, much like hotel sales, which grew by 2.9%.

Public sector grows by 1.7 percent

Federal government's employment actually fell slightly in 2001. In 2000, a large federal workforce of census takers was hired to conduct the 2000 Census count. By the end of the year their work was done and this workforce was disbanded, helping to explain most of the federal government's losses. Federal employment also drifted downwards as the privatization of the Alaska Native Medical Center continued. The federal government's decline is significant in light of the tremendous growth in federal funds flowing into the state. Employment in both state and local government grew by 300 in 2001. State growth came both from the University of Alaska and state government operations. Most of local government's growth came from small increases in school district employment

6 Fairbanks Grows for 13 Years Percent employment change from previous year



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

FAIRBANKS Job growth and payroll increase

Decent employment growth coupled with low jobless rates marked 2001 as the 13th year of economic expansion in Fairbanks, 12 of which are shown in Exhibit 6. Annual average employment growth was 2.5%, a net addition of 850 new jobs. (See Exhibit 7.) In addition, payroll during the first three quarters of 2001 increased by 4.7% over the same period in 2000, an indication that a significant

number of the newly created jobs belonged to the “good paying job” category.

Employment increases in construction, transportation, health care, and government underlay Fairbanks’ robust economic performance. Only one industry showed a negative growth rate. Employment in finance, insurance and real estate fell below the year 2000 average, mostly because of a funding adjustment for public housing. Trade industry employment did not change; its performance was mixed. In all, 2001 turned out to be a good year for Fairbanks’ economy, with construction one of its strongest performers.

Construction’s job base strengthens

Construction activity continued to gain strength during the 2001 season. Employment rose by 200 jobs, amounting to a growth rate of 11.4%. Public projects, such as the finishing phase of the courthouse, renovation of the Rasmussen Library, defense related projects, road construction and a new city parking garage helped to keep Fairbanks crews busy. Commercial construction included the finishing phases of several new and expanded hotels, a new Home Depot store, and large remodeling projects of existing stores. The residential sector flourished as well. Local permit data showed that 177 single-family housing units were approved in 2001, more than in any other year since 1985. Compared to last year, permitted construction valuation was up 27 percent.

Mining employment holds level

Despite low gold prices during 2001, gold mining employment held steady. But it was a challenging year, particularly for placer miners. Eroding profit margins forced some operators to shed staff. Fort Knox, Fairbanks’ largest mine, offset these employment losses and increased its staff when it began hauling ore from its newly acquired True North deposit. Another branch of Fairbanks’ mining sector is its oil and gas industry. Its performance in 2001 closely reflected North Slope oil field activities. Employment was strong during

the first 10 months of the year, but it tapered off towards the end. Over the year 2000, oil’s employment balance, however, did not change.

Transportation employment keeps moving up

Among the transportation industries, trucking and warehousing employment was the best performer. Its gain of 100 new jobs reflected the upbeat economic activities of this past year. Trucking freight to the North Slope oilfields was just one component of growth. Local construction and hauling ore from the True North mine to Fort Knox also helped job growth. Air transportation employment rose, despite the loss of Delta Airlines as a Fairbanks operator. But Delta’s closure came late in the year, so its impact was only partially captured. Small airlines specializing in commuter traffic attempted to fill the gap.

Wage & Salary Employment 7 Change — Fairbanks 2000-2001

	2000	2001	Change	Percent Change
Total Nonag. Wage & Salary	33,950	34,800	850	2.5%
Goods-producing	3,300	3,500	200	6.1%
Service-producing	30,650	31,300	650	2.1%
Mining	950	950	0	0.0%
Construction	1,750	1,950	200	11.4%
Manufacturing	600	600	0	0.0%
Transportation/Comm/Utilities	3,150	3,250	100	3.2%
Trucking & Warehousing	550	650	100	18.2%
Air Transportation	1,000	1,050	50	5.0%
Communications	400	400	0	0.0%
Trade	6,800	6,800	0	0.0%
Wholesale Trade	750	700	-50	-6.7%
Retail Trade	6,050	6,150	100	1.7%
Gen. Merchandise & Apparel	1,100	1,200	100	9.1%
Food Stores	600	600	0	0.0%
Eating & Drinking Places	2,400	2,300	-100	-4.2%
Finance/Insurance/Real Estate	1,250	1,200	-50	-4.0%
Services & Misc.	8,500	8,900	400	4.7%
Hotels & Lodging Places	950	1,000	50	5.3%
Health Services	2,000	2,100	100	5.0%
Government	10,900	11,150	250	2.3%
Federal	3,350	3,350	0	0.0%
State	4,550	4,700	150	3.3%
Local*	3,000	3,050	50	1.7%

Benchmark: March 2001. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. “Government” includes employees of public schools and the University of Alaska.

* As of Jan. 1, 2001, certain federally recognized tribal entities are counted under Local Government, and no longer under Services. Fairbanks has no data in this category.

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

Trade employment has its ups and downs

Since 1997, employment growth in Fairbanks' trade industries has come to a near standstill, lagging the overall annual average employment growth of over two percent during the past four years. Retail has lost some of its variety during the past four years, and in 2001 no new major players joined the local market scene.

A few changes, however, did occur. Some of the big box stores in Fairbanks rearranged their stores and became a bit larger. Kmart opened a large grocery section, introducing a fourth large competitor to the Fairbanks grocery business. The restaurant sector could not repeat the upswing it experienced in the year 2000, and employment during 2001 fell by 100 jobs. The Royal Fork, a large restaurant, closed its doors. Several new places opened but most of them were smaller or family-run. Wholesale trade employment declined a bit due to a business reorganization. Wave Wholesale became Northern Transportation in 2001 with a fraction of its former staff.

Services uphold performance

The services industries sector has enjoyed nearly uninterrupted growth since 1980. Even during Fairbanks' recession of the mid-1980s, job losses in the various services branches were minimal. This steady performer again collected energy in the year 2001 with an employment boost of 400 new jobs. This meant that nearly half of all the new jobs created in Fairbanks last year belonged to services. The health care and the hospitality industries accounted for much of this.

Growth in tourism is soft

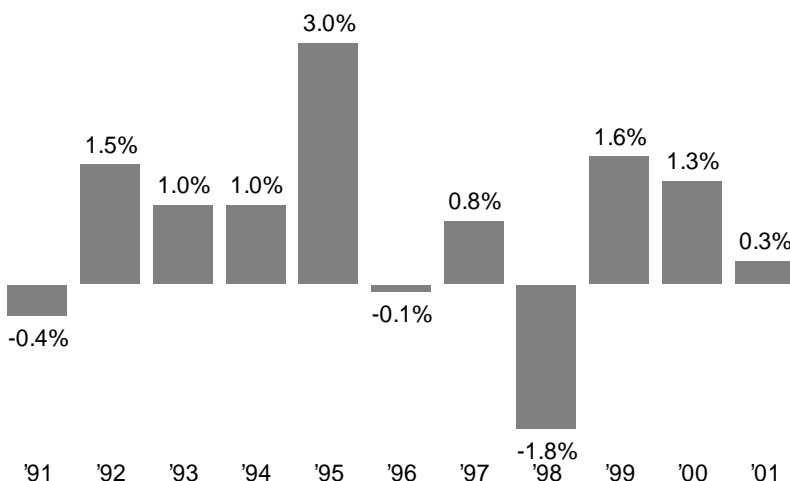
Two new hotels and a large addition were ready for business in the summer season. Hotel employment grew by 50 jobs. These new places added substantially to Fairbanks' guestroom inventory. Competition among industry players grew. Although tourism experts labeled the 2001 season as a "down" year on a statewide scale, hotel/motel room receipts in Fairbanks were up 9.3%. Borough bed tax revenues rose by 55.4%, but within the city boundaries they declined by 6.0%. The main reason is that most of the newer places are located outside the city limits.

The revenue flow showed that the large increases occurred in the fall and winter quarters. During the spring and summer season, room receipt increases were moderate. This confirms the perception of soft growth in tourism. In addition, summer traveler road traffic to, from, or through Canada became lighter in 2001 compared to the 2000 season. While tourism has become an important stimulant to job growth in Fairbanks, other services industries have helped to broaden the Fairbanks employment base.

For the third year in a row, employment rose in health care, which gained 100 new jobs in 2001. Employment increased most at the hospital and in doctors' offices. Tanana Chiefs Conference, one of Fairbanks' largest employers, also helped services employment to grow. This organization's mandate also includes health care.

8 Growth Slows in Southeast

Percent employment change from previous year



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

The public sector helps growth

Public sector employment rose by 250 jobs in 2001. Most of the gains came from the University of Alaska, and were due to increased funding and higher enrollment. Local government also contributed to the gain, as its employment increase was education related.

SOUTHEAST Economy almost flat

The Southeast regional economy grew at less than .3% in 2001, adding only 100 jobs from the previous year. (See Exhibit 9.) This low growth rate was well below 2000's 1.3% increase and less than half the average growth rate of eight tenths of a percent that has characterized the last decade. (See Exhibit 8.) The sluggish overall performance resulted from losses in construction and manufacturing jobs, offset by gains in trade, services and government employment.

Construction shaky

Construction slowed in Southeast, shedding 150 jobs. The completion of a number of major projects, such as Ketchikan's Wal-Mart, contributed to this trend. General construction accounted for most of the 8.6% employment decline in the sector. While heavy construction employment fell slightly, special trades were apparently insulated from the downturn.

Timber continues skid

The timber industry continued to weaken, with the loss of 300 jobs. This 27.3% decline was largely caused by the elimination of more than 200 logging jobs due to an extremely poor timber market. The 2001 Tongass cut of 48 million board feet was the lowest since 1942, representing only 70 percent of the 70 million board feet offered by the U.S. Forest Service. Koncor, once the second largest timber producer among Native corporations, ceased all logging operations in

2001. Other wood product employment also declined by approximately 50 jobs, with workforce reductions at troubled Gateway Forest Products in Ketchikan accounting for much of the loss.

Seafood processing scales back

Somewhat fewer seafood processing jobs were filled in 2001, with the numbers falling from 1,450 average annual employment in 2000 to 1,400 average in 2001. This was in spite of one of the largest pink salmon returns in recent years. Processors had difficulty attracting workers during the peak months of July and August while the national economy remained strong and out-of-state workers availed themselves of other opportunities.

Wage & Salary Employment Change — Southeast 2000-2001

	2000	2001	Change	Percent Change
Total Nonag. Wage & Salary	36,250	36,350	100	0.3%
Goods-producing	5,200	4,700	-500	-9.6%
Service-producing	31,050	31,650	600	1.9%
Mining	300	300	0	0.0%
Construction	1,750	1,600	-150	-8.6%
Manufacturing	3,150	2,800	-350	-11.1%
Durable Goods	1,350	1,100	-250	-18.5%
Lumber & Wood Products	1,100	800	-300	-27.3%
Nondurable Goods	1,750	1,700	-50	-2.9%
Seafood Processing	1,450	1,400	-50	-3.4%
Transportation/Comm/Utilities	2,850	2,800	-50	-1.8%
Trade	6,250	6,400	150	2.4%
Wholesale Trade	600	600	0	0.0%
Retail Trade	5,650	5,800	150	2.7%
Food Stores	1,300	1,300	0	0.0%
Finance/Insurance/Real Estate	1,250	1,300	50	4.0%
Services & Misc.	8,300	7,900	-400	-4.8%
Health Services	1,700	1,750	50	2.9%
Government	12,350	13,200	850	6.9%
Federal	1,800	1,750	-50	-2.8%
State	5,300	5,500	200	3.8%
Local	5,250	6,000	750	14.3%
Tribal*	—	550	—	—

Benchmark: March 2001. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

* As of Jan. 1, 2001, certain federally recognized tribal entities are counted under Local Government, and no longer under Services.

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

Fish prices founder

Commercial salmon fishers landed 336 million pounds in 2001 as compared to 243 million pounds in 2000. The ex-vessel value of this harvest was estimated at \$86.1 million, an increase of \$13.9 million over the 2000 landings of \$72.2 million. While harvest volume increased by 38 percent, harvest value increased only 19 percent. The effects of low ex-vessel prices on the regional economy can be demonstrated by comparing harvest value during the last year with 1994, when fishers landed 313 million pounds of salmon, worth \$126.7 million. The 2001 harvest was 7 percent larger than that of 1994 in pounds landed, but fleet earnings were down by \$40.6 million. The outlook for 2002 is mixed. The Alaska Department of Fish and Game predicts strong returns, but several processors are limiting fleet sizes in an attempt to increase the quality of a lower volume pack.

Services reordered

In 2001, the U.S. Department of Labor transferred some tribal employment from Other Services to Local Government. In Southeast, this reclassification resulted in 550 fewer jobs in Other Services, and an additional 550 jobs attributed to Local Government. When this move is taken into consideration, non-governmental services employment actually increased by 150 jobs or approximately 2 percent. Medical services accounted for about 50 of these jobs, and hotels another 50. Other services accounted for the remaining estimated 50-job increase.

Trade up

A decline of 50 jobs in eating and drinking establishments was offset by an increase of 200 jobs in other retail trade, for a net gain of approximately 150 positions. The opening of Wal-Mart in Ketchikan seems to account for much of this increase, along with some additional hiring as Juneau's Kmart expanded to include food sales.

Government now includes tribal employment

Actual growth in government employment, once the transfer of tribal employment is accounted for, is largely explained by educational increases. State educational employment in Southeast increased by 50 jobs to 550, showing 10% growth, while non-educational state employment grew at only 2.2%, adding approximately 100 state jobs. Local educational employment increased by nearly 100 jobs, or 4.4%, while local non-educational employment increased by only 1.8%, accounting for an estimated 50 jobs. Federal employment declined slightly from 1,800 to 1,750 jobs, a drop of 2.8%.

When viewing Exhibit 9, it is important to remember that 550 of the additional jobs in government are the result of an accounting transfer. Tribal employment that was included in Services

10 Wage & Salary Employment Change — Gulf Coast 1999-2000

	2000	2001	Change	Percent Change
Total Nonag. Wage & Salary	27,650	27,950	300	1.1%
Goods-producing	6,350	6,300	-50	-0.8%
Service-producing	21,300	21,650	350	1.6%
Mining	1,350	1,300	-50	-3.7%
Oil & Gas Extraction	1,300	1,250	-50	-3.8%
Construction	1,350	1,450	100	7.4%
Manufacturing	3,650	3,600	-50	-1.4%
Seafood Processing	2,700	2,650	-50	-1.9%
Transportation/Comm/Utilities	2,400	2,400	0	0.0%
Trade	5,400	5,400	0	0.0%
Wholesale Trade	550	450	-100	-18.2%
Retail Trade	4,900	4,950	50	1.0%
Eating & Drinking Places	1,650	1,700	50	3.0%
Finance/Insurance/Real Estate	750	750	0	0.0%
Services & Misc.	5,950	5,950	0	0.0%
Health Services	1,150	1,250	100	8.7%
Government	6,750	7,150	400	5.9%
Federal	800	750	-50	-6.3%
State	1,550	1,600	50	3.2%
Local	4,450	4,800	350	7.9%
Tribal*	—	300	—	—

Benchmark: March 2001. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

* As of Jan. 1, 2001, certain federally recognized tribal entities are counted under Local Government, and no longer under Services.

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

through 2000, is now recorded in a Local Government sub-sector. This transfer creates the illusion that government has rapidly expanded while services have contracted. While it is true that government employment, especially the educational sector, has experienced some growth over the year, service jobs have increased as well.

GULF COAST Modest growth in 2001

The economies of the Gulf Coast, that include the Kenai Peninsula Borough, the Kodiak Island Borough, and the Valdez-Cordova area, booked an annual net gain of 300 new jobs during 2001, a moderate annual growth rate of 1.1%. (See Exhibit 10.) Construction and health care services were the major contributors.

Large scale construction projects such as the gas-to-liquid facility in Kenai, Coast Guard projects in Kodiak, a \$10 million office complex in Valdez, and the construction of a Princess Lodge near Copper Center were among the large ticket items on the 2001 construction docket. The health care industry, particularly in the Kenai Peninsula Borough, showed robust growth. Employment in the borough's private sector health care industry grew by nearly 9 percent this past year.

Other industry performances were mixed in the Gulf region. Employment balances in the oil and the seafood processing industries turned negative. The job losses in the oil industry reflected the completion of the Alpine module construction project in 2000. New oil finds and gas strikes led to a rebound in oil and gas industry activity in Cook Inlet later in the year.

The job losses in the seafood industry appear to be of more permanent nature. The downturn that started in the mid-1990s continued. A poor Cook Inlet salmon harvest took its toll on processing employment. Although harvest results were mixed, the low fish prices were felt everywhere. Fishers of the Prince William Sound area delivered their highest harvest volume in 25 years. Kodiak's

salmon fleet fished above their 25-year average. Cook Inlet's harvest volume was dismally low. Its fleet endured their third lowest fishing result in a quarter of a century. The 25-year harvest summary revealed that the low salmon prices turned Prince William Sound's record harvest year into an average earnings year for its fishers. Kodiak's above average catch netted their fifth lowest dollar value, and the Cook Inlet harvest value fell to the lowest on record.

Outside of government, employment in other industries did not substantially change. Local government got its boost from a classification change in labor statistics. Employment in federally recognized tribal organizations moved from services to local government.

SOUTHWEST Loss of fishing jobs offset by new jobs in services

According to the annual employment comparison, 2001 was a year of zero change in wage and salary employment in the Southwest region. (See Exhibit 11.) Industry performances differed but job gains offset the losses, belying the fact that 2001 was a challenging year for most economies in the

Wage & Salary Employment 11 Change — Southwest 2000-2001

	2000	2001	Change	Percent Change
Total Nonag. Wage & Salary	17,650	17,650	0	0.0%
Goods-producing	4,400	4,300	-100	-2.3%
Service-producing	13,250	13,350	100	0.8%
Seafood Processing	4,200	4,100	-100	-2.4%
Government	5,650	7,000	1,350	23.9%
Federal	350	350	0	0.0%
State	500	500	0	0.0%
Local	4,850	6,100	1,250	25.8%
Tribal*	—	1,300	—	—

Benchmark: March 2001. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

** As of Jan. 1, 2001, certain federally recognized tribal entities are counted under Local Government, and no longer under Services.*

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

Southwestern region, particularly for its biggest performer, the fishing industry. Four out of the past five salmon harvests in the region were disappointing.

Low catches, but even more significantly, low harvest prices, marred the season for salmon fishers. The combined earnings of salmon harvests in Bristol Bay, the Alaska Peninsula/Aleutians, and the Chignik areas netted a bit over a third of last year's already dismal catch value. Despite this, annual average fish processing employment showed a loss of only 100 jobs over last year. (See Exhibit 11.) In part this reveals that the industry prepared for a better salmon season and kept crews in place in hopes of improved catches. Good groundfish harvests in the Bering Sea also counteracted some of the negatives.

The substantial income losses suffered during the 2001 salmon season left big voids in local Bristol Bay economies. Many area residents earn their livings harvesting fish or working for its support industries. By way of contrast, the more distant Bering Sea ground fishery, which enjoyed a successful season, impacted local economies to a

lesser degree because fewer local harvesters participate in this type of fishery. In both types of fisheries non-resident labor dominates the seafood processing industry.

Moderate job gains in service-producing industries helped balance the job losses in the seafood industry. The region's employment data indicate job growth in local government, which was actually due to a classification change. In response to a federal directive, employment in federally recognized tribal entities was moved from private sector services industries to local government (see explanation above).

NORTHERN

Oil fields prosper, but not communities

Employment growth of 5.5% in the Northern region points at the brisk activities in the oil fields during 2001. (See Exhibit 12.) Drilling programs, construction, and the installation of the Northstar facility lifted oil's employment level by 600. Corresponding increases in employment occurred in oil's support industries. Combined job growth in the oil fields matched the gain for the entire region.

Resident communities in the Northern region did not see their economies grow substantially. Most of the communities in the North Slope Borough, the Northwest Borough, and in the Nome Census area felt the effects of tight local public budgets. In the Northwest Arctic Borough the Red Dog Mine had to endure low zinc prices, which affected local tax revenue. The Northern fisheries were also disappointing. Unemployment rates in all three areas remained high. Both Nome and the Northwest Arctic Borough experienced double-digit annual average unemployment rates, and the North Slope Borough's rate registered on the high side as well.

12 Wage & Salary Employment Change — Northern 2000-2001

	2000	2001	Change	Percent Change
Total Nonag. Wage & Salary	15,500	16,350	850	5.5%
Goods-producing	5,600	6,150	550	9.8%
Service-producing	9,950	10,200	250	2.5%
Mining	4,800	5,400	600	12.5%
Oil and Gas	4,350	4,950	600	13.8%
Government	4,400	4,750	350	8.0%
Federal	150	150	0	0.0%
State	300	300	0	0.0%
Local	3,950	4,300	350	8.9%
Tribal*	—	400	—	—

Benchmark: March 2001. Subtotals may not add due to rounding. Prepared in part with funding from the Employment Security Division. "Government" includes employees of public schools and the University of Alaska.

* As of Jan. 1, 2001, certain federally recognized tribal entities are counted under Local Government, and no longer under Services.

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

Census Goes Internet

by
Jack Cannon
Labor Economist

Census and Geographic Information Network (CGIN) puts the numbers out

If you asked a sample of Americans what they know about the U.S. Census, chances are many would give the same answers. Most people know that the census occurs every ten years and that the last one was completed in 2000. They know that the purpose is to get as accurate a count of Americans as possible, that there is a short form and a long form, (Please, make them send me the short one!) and that some of the questions on the long form seem a little personal, and by the way, why does the federal government need to know about our plumbing?

Some citizens might know that the data the Census Bureau collects are used for redrawing legislative districts, for establishing revenue sharing allocations, and that though the census is captured in a matter of months, final tallies can be tied up in court for years. Most of us, though, forget about the census soon after dropping our short form in the mail or after closing the door on the census taker who made us miss the last half hour of *Who Wants to be a Millionaire?* in order to complete the long form.

Collecting census data is much more than finding out that “officially” there were more than 281 million Americans and almost 627 thousand Alaskans in 2000. This massive collection of data will serve as a primary benchmark against which to measure historical change and to make population projections for the future. The new data will be quoted, examined, compared,

interpreted, and manipulated countless times up to, and even beyond, the time when a new decennial census is taken in 2010.

Data from Census 2000 is an important source of information for many users. Governments at all levels, businesses of all types, and private users from all over depend on the data for evaluating present situations and for making plans for the future. Governments use the numbers not only as a basis for redistricting and revenue sharing, but also for emergency service planning, forecasting future transportation needs, making informational thematic maps, and similar purposes. Business people look at the data for market research and product development strategies or for developing business plans. They use them for making personnel and investment decisions. Private citizens use the information for school and research projects, or researching potential places to live or visit. In 2072, they will be able to use Census 2000 data for genealogical research. (For confidentiality reasons, information collected in the Decennial Census of Population and Housing on individuals does not become available to the public until after 72 years.)

Census and Geographic Information Network (CGIN)

Making the massive body of census data readily available to users is no small task. In 1978, the State Data Center system was created to address

this issue. The State Data Center established a nationwide network of state organizations designed to support the Census Bureau in the collection and dissemination of their data. Each state was charged with the task of identifying willing and logical in-state partners to help with this task. In 1981, Alaska signed on by creating the Alaska State Data Center, which was later renamed the Census and Geographic Information Network (CGIN).

CGIN is a network of currently 10 affiliate state agencies and local government planning offices, with the Research and Analysis Section (R&A) of the Alaska Department of Labor and Workforce Development (AKDOL) serving as the lead agency. In this capacity, Research and Analysis serves as the liaison with the Census Bureau and provides

information, training, and technical assistance to the network members and other interested users. The affiliate members, in turn, serve as local contacts for census data users throughout the state.

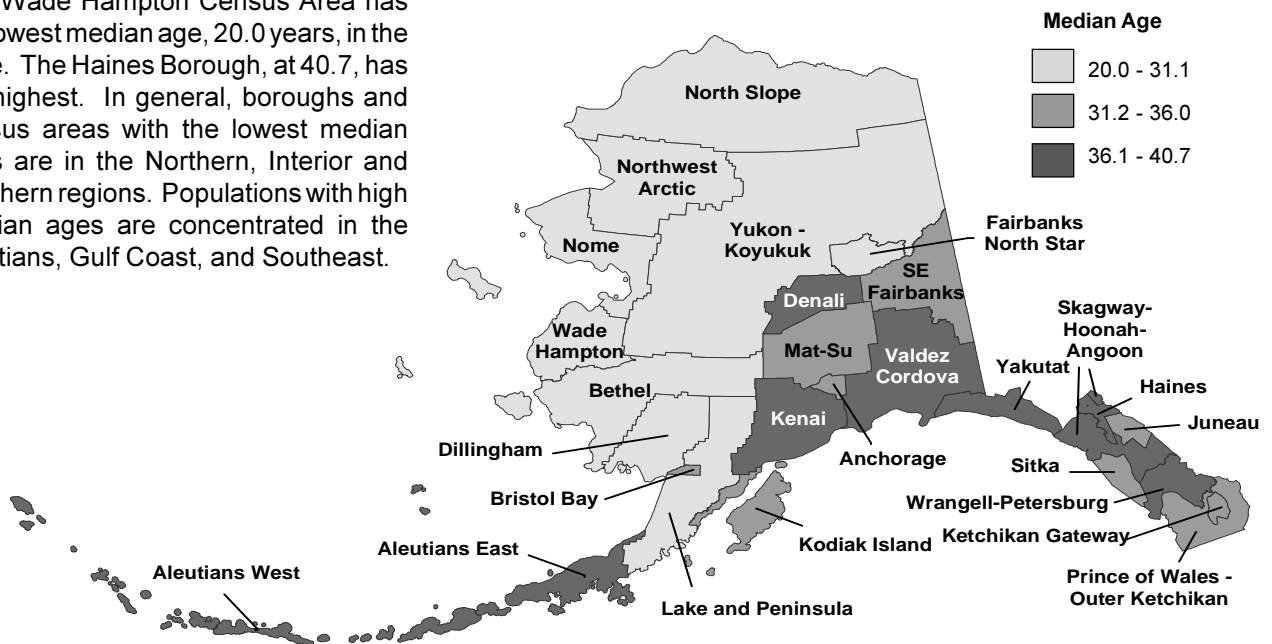
Census 2000 is on the Web

The Internet has become the primary tool for providing census information to users. The Census Bureau periodically releases data from Census 2000 to the states. Alaska information is then reformatted to be easily accessible and put on the CGIN site.

The most recent release of data is the Summary File 2 (SF2). Released in January 2002, this file

1 Median Age of Alaskans, Census 2000 By borough or census area

The Wade Hampton Census Area has the lowest median age, 20.0 years, in the state. The Haines Borough, at 40.7, has the highest. In general, boroughs and census areas with the lowest median ages are in the Northern, Interior and Southern regions. Populations with high median ages are concentrated in the Aleutians, Gulf Coast, and Southeast.



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

provides detailed race information for the state's population. CGIN and AKDOL data processing staff have designed and implemented an innovative, interactive site where users can view population data by age, sex, household relationship, and household and family characteristics. They can also explore housing data for total housing units, occupancy, average household size, and tenure. This population and housing information is available for the state, borough/census area, place, (cities and towns), census tract, and Alaska Native Village Statistical Areas. For most subjects, data not on the Internet can be obtained from CGIN staff at the block group and block levels.

Summary File 1 (SF1) was released in July 2001 and has the same population and housing information as SF2, but without SF2's detailed race data. When detailed race is not an issue, this file can be a simpler way to access the data.

The median age data shown on the map in Exhibit 1 is an example of information available in SF1.

The Redistricting Files were released in March of last year. Every ten years this information is used to redraw legislative districts to accommodate changes in population of geographic locations. Population information is available in the site as far down as the precinct level, and from CGIN staff to the block and block group levels.

Summary File 3 (SF3) is scheduled to be released by the Census Bureau some time between June and September of 2002 (a four-page profile should be released in March 2002). SF3 will be the first release of information collected on a sample basis and will contain more detailed population and housing characteristics. This file will look at characteristics related to the labor force, household and family, educational attainment, poverty status, income and housing.

Scheduled for release between October 2002 and February 2003, Summary File 4 (SF4) will include

Did you know?

The median age of males in the Mat-Su Borough is 34.3 years, and for females, it's 33.8.

In the City of Alakanuk, 102 owner and 23 renter housing units are reported occupied by American Indians or Alaska Natives.

In the Municipality of Anchorage, 5,805 persons claim Filipino alone as their race, 3,432 claim Korean alone, 899 Japanese alone, 870 Chinese alone, and 380 claim Vietnamese alone.

Within the geographical boundaries of the Sealaska Native Regional Corporation, there are 71,507 people. 51,578 of them are 18 and over.

According to Census 2000, when the census was taken, there were 27 twenty-one-year-old males and 40 twenty-one-year-old females in Bethel.

In House District 9 (includes part of Fairbanks), 694 people claim lineage of two or more races.

This and other information is available from Summary File 1 (SF1), Summary File 2 (SF2), or the Redistricting Files accessible at <http://146.63.75.50/research/cgin/cen2000.htm>.

Census and Geographic Information Network (CGIN)

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tabulations of the population and housing data collected from a sample of the population and like SF2, the tables will contain detailed race information.

Census 1990 data is on CGIN's site, too

Although the Census 2000 data is the most recent, it is not the only data available on the CGIN site. 1990 census information is also on the site. Historical census data from before 1990 is available from CGIN staff.

In the future, through Geographic Information System (GIS) software, maps will be produced that connect geographic details such as boroughs, census areas, or census block groups to census data such as numbers of housing units or population by sex or race.

The CGIN site also includes affiliate member contact information and links to other federal statistical organizations and programs.

CGIN staff and affiliate members are available to help

CGIN and affiliate member staff are available to provide assistance. The volume of census information is substantial, and finding one's way through it can be daunting. CGIN and affiliate staff can help with locating and interpreting census information. They can help navigate the complex Census Bureau site for national or individual state data. They can assist those users without web accessibility to find the information they need. They can help with historical data not available on the web site. They can provide maps and other census-related publications.

What are they doing when not maintaining the web site or assisting users of census data? The Census Bureau is already contacting CGIN with early plans associated with preparing for the next decennial census. Yes, the groundwork is already being laid for Census 2010.

Census and Geographic Information Network (CGIN)

Affiliate agency contact information

Summary

The information gathered in the 2000 census is important, but the job of making this information readily available to users is challenging. State data centers were created in the late 1970s to help the federal government in the collection and dissemination of census information. In the early 1980s, CGIN was created and designated Alaska's state data center. The primary method of delivering census information is through the Internet. As files are released from the Census Bureau, CGIN puts them in user-friendly formats and makes them available on the CGIN site. Though the web site is CGIN's most obvious presence, CGIN staff at Research and Analysis and the affiliate network members are available to help users in such ways as locating and interpreting data and providing maps and other information.

CGIN On-Line Newsletter

The Census and Geographic Information Network's first issue of CGIN E-Bulletin, a quarterly, online newsletter of census and geographic related information, is up. You can view it in the CGIN section of the Research and Analysis website at [/www.labor.state.ak.us/research/cgin/cen.htm](http://www.labor.state.ak.us/research/cgin/cen.htm) You can subscribe to it at Labor-CensusInfo-request@list.state.ak.us.

The Census and Geographic Information Network (CGIN) maintains a web site of Alaska data at <http://146.63.75.50/research/cgin/cen.htm>

The U.S. Census Bureau site has national and state information. Their home page is www.census.gov/

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Survey shows firm size to be a major determinant of whether they are provided

The Alaska employee benefits survey, conducted in 2001, collected information on the incidence and provisions of selected benefits provided by employers for their employees. The purpose of the survey was to gain an understanding of the types of benefits being offered to Alaska workers and the prevalence of employers offering these benefits. The Research and Analysis Section of the Department of Labor and Workforce Development conducted this survey in cooperation with the Alaska Departments of Health and Social Services, Administration, and Community and Economic Development.

How the survey was conducted

Employers were first classified by the monthly average number of their employees during the last three quarters of 2000 and the first quarter of 2001. Only firms that reported employment in all four quarters were used as the universe of employers eligible to be surveyed. Sampling was structured using five employee size categories: very small (one to three employees), small (four to nine employees), medium (10 to 49 employees), large (50-249 employees) and very large (more than 250 employees).

The survey questionnaire was mailed to 3,271 Alaska firms. A total of 2,214 private and public sector employers responded. The survey information presented in this article is adjusted, or

weighted, to represent the universe of employers who were eligible to be selected randomly when the sample was drawn. The adjustment addresses differences in the proportion of employers sampled by size class.

Because of space considerations, this report addresses response information by employer or firm. Analysis is at the statewide level. A more detailed study from the 2001 survey will appear in a separate report, *2001 Employee Benefits Survey*, later this year.

Health benefits

The issue of health insurance benefits is important to employers, employees, and public policy makers. Employers must balance rising health care premiums with their need to control costs and remain competitive. Most employees consider health insurance benefits an important part of their overall compensation plan. National studies find that most of today's working families who have health insurance are covered by employer-sponsored insurance, either through their own job or a family member's job.¹ Public policy makers must make difficult decisions about insurance related issues. They may be asked to reduce the number of uninsured people while facing pressure to minimize government regulations and cost burdens on businesses. These issues create a need to study health insurance benefits in Alaska.

Health insurance benefits normally cover at least part of medical and hospitalization charges. Health benefits may also include coverage for mental health treatment, pharmaceuticals, medical equipment, or other health services. These types of insurance benefits are typically found within what is called comprehensive health insurance coverage.

Benefits and firm size

The survey revealed that the offering of health care benefits is strongly associated with a firm's size. In the very small size class of firms (1-3 employees), only about one in four employers offer health insurance benefits to their employees. In the small size class of firms (4-9 employees), about one-third of the employers offer benefits. This rate increases to 61 percent among the medium size class of firms (10-49 employees). In the large size class (50-249 employees), 92 percent of employers offer health insurance plans of one type or another. In the very large size class establishments, employers nearly always offer health insurance benefits to their employees. (See Exhibit 1.)

A preliminary examination of employers by industry classification showed firm size to be the more significant factor in whether employers provided health insurance for their employees. The industry itself was found less likely to be a determining factor.

Premium costs increase

Health insurance premiums increased in 2001 from the previous year, according to the employee benefit survey. In all size classes, more than seven out of ten employers reported paying higher health insurance premiums than they had the prior year. The survey did not ask the amount or percent of premium increases.

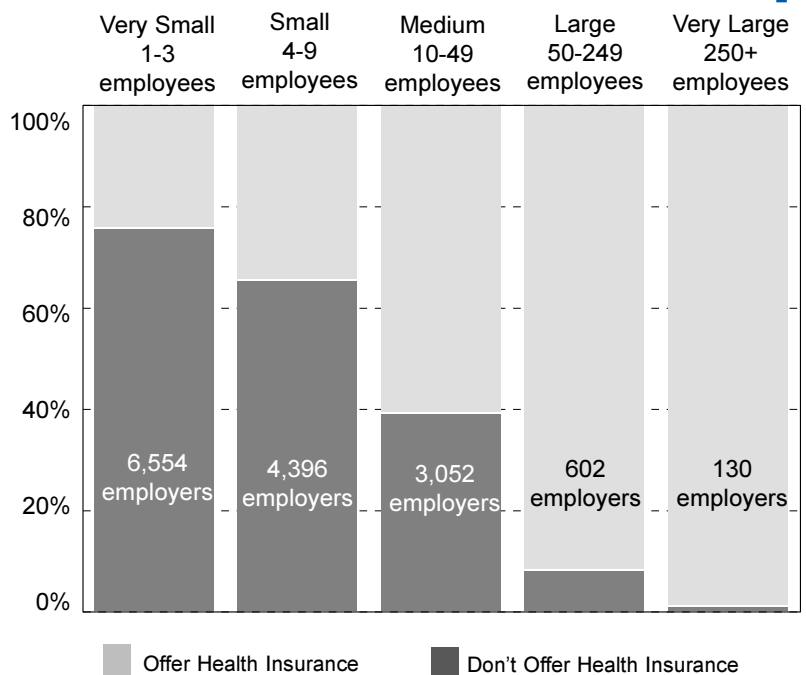
This finding reflects a trend that has been seen in

the nation as a whole. According to a national study conducted by the Henry J. Kaiser Family Foundation and Health Research and Educational Trust, monthly premiums for employer-sponsored health insurance plans jumped 11 percent from 2000 to 2001, following increases of a little more than 8 percent in 2000 and close to 5 percent in 1999. As rates increase, some employers may opt to reduce benefits, increase co-payments for doctor visits and/or restructure drug benefits.

Who pays the premium?

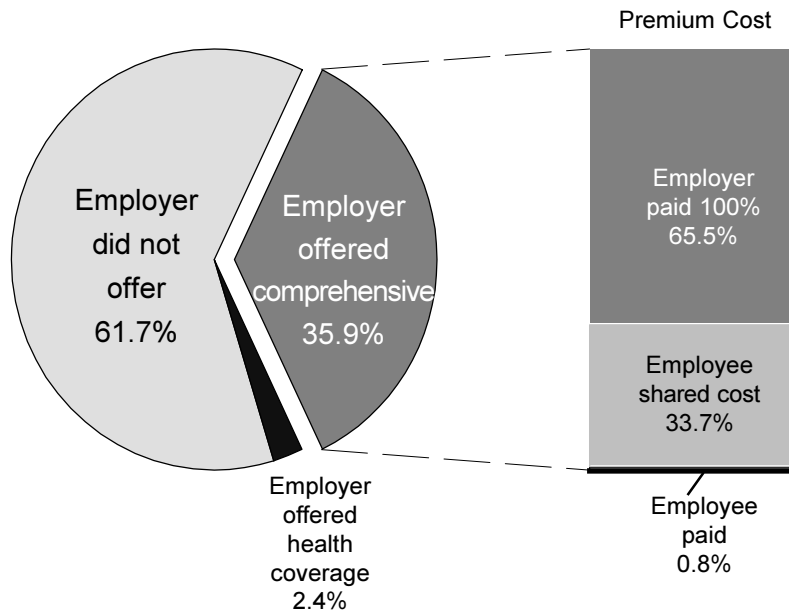
How health insurance premiums are paid largely depends on the type of plan. For full-time employees, about 65 percent of the employers who provide comprehensive health insurance report paying the full cost of the premium. About 34 percent of the employers share the cost with the employee. A very small proportion of

Firms Offering Health Insurance 1 By size class of firm



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

2 Health Coverage Offered Full-time employees



100% = 14,734 employers

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

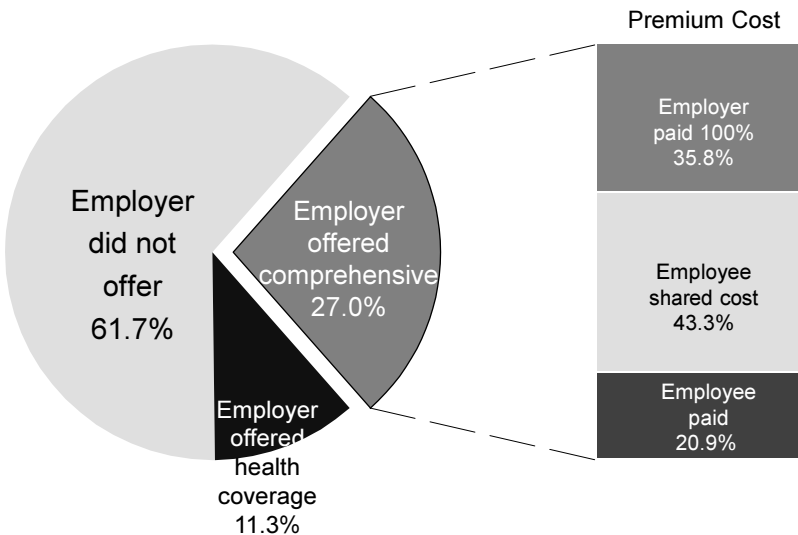
employers, less than one percent, require employees to pay the full premium cost. (See Exhibit 2.)

Employers are less likely to pay the full premium cost for insurance plans for the full-time employees' dependents. More of the costs for insurance coverage for a full-time employee's family were shared or entirely borne by the employee. About 36 percent of employers paid the entire cost of a comprehensive health insurance plan for families of their full-time employees. Shared cost was the most common pattern (43.3%). For about twenty percent of the firms, employees themselves bore the full cost of this benefit. (See Exhibit 3.)

Reasons for not providing health insurance benefits

In trying to determine why health insurance benefits are not being offered to employees, those employers saying they did not provide benefits were asked to indicate why they did not. "Premiums too high" was by far the reason most often given, followed by "employees are generally covered under another plan." (See Exhibit 4.)

3 Health Coverage Offered Full-time employees' dependents



100% = 14,734 employers

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

Employers who do not provide health insurance benefits typically do not provide other types of benefits such as paid vacation days, retirement, and profit sharing. In contrast, the survey showed that employers who did report providing health insurance benefits were very likely to provide other types of benefits as well.

Paid days off

The 2001 employee benefits survey broke paid leave into four major categories identified as holiday, vacation, sick, and personal leave. Based on survey results, holiday and vacation leave are the most common types of paid leave offered to Alaska employees. Approximately three out of four of the employers who provide paid leave offer holiday and vacation leave (75.6% and 73.9% respectively). Sick leave is given 44.6% of the time, and personal leave (a combined vacation and sick leave bank), follows at 41.1%. (See

Exhibit 5.) In all four paid leave categories, part-time employees are less likely to receive the leave as part of their benefits package.

Company size is closely linked with the provision of paid time off. As Exhibit 6 shows, the proportion of firms offering paid leave, to either their full-time or part-time employees, steadily increases with firm size in all four categories of paid leave.

While most firms that provide paid leave to their employees offer paid holidays, the actual number of holidays varies considerably. As Exhibit 7 illustrates, the reported number of annual paid holidays for full-time employees varied from one to four days per year (8.2%) to more than 12 days (8.8%). The number of paid vacation days follows a similar pattern, with weeks per year ranging from one to more than five. (See Exhibit 8.)

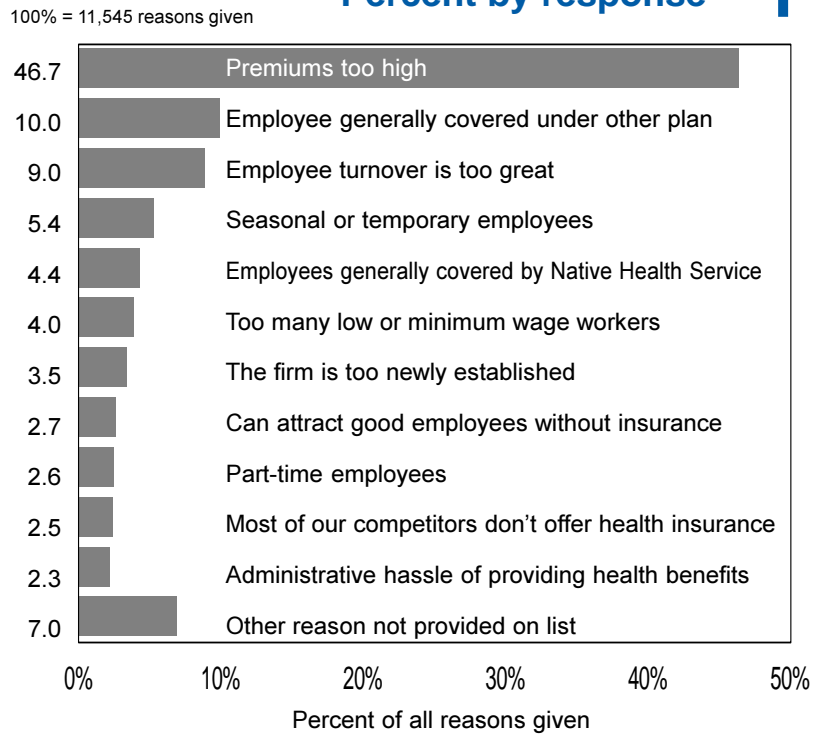
As with holiday and vacation leave, the availability and extent of paid sick leave varies considerably. Less than 20 percent of the small and very small firms that offer some type of paid leave offer paid sick leave to their full-time employees. Of the medium-sized firms, those employing between 10 and 49 workers, more than 27 percent provide paid sick leave. Large and very large companies are far more likely to provide paid sick leave, with over 50 percent of firms with 50 or more employees offering paid sick leave to their full-time workers.³ Part-time employees are less likely to receive paid sick leave, or other paid leave, than are full-time workers, irrespective of firm size. (See Exhibit 6.)

The number of days of paid sick leave offered to full-time employees varies widely. Nearly 40 percent of employers offer them more than one week and up to two weeks of paid sick leave. More than 28 percent of Alaska employers provide one week or less of paid sick leave to their full-time employees. (See Exhibit 9.)

Personal leave, a combined sick and annual leave accrual, is the paid leave benefit least commonly offered. Relatively few very small or small firms offer this benefit to their employees. More than 50 percent of the very large firms, however,

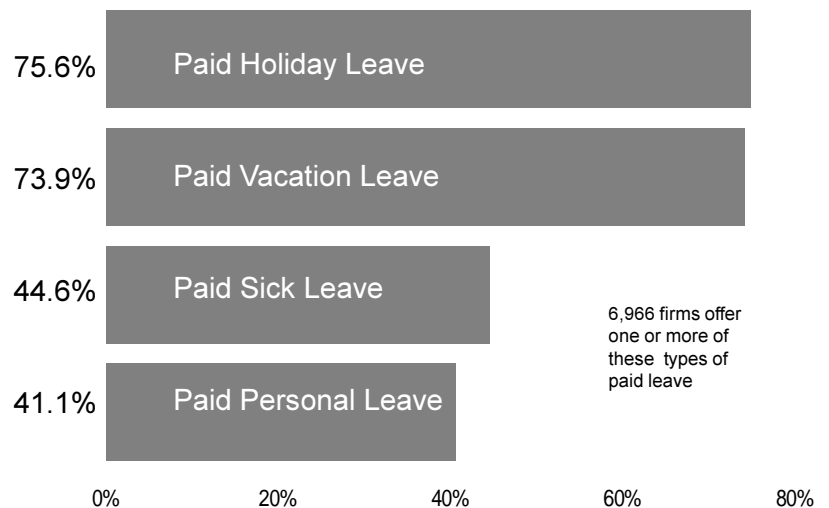
Reason for Not Having Insurance 4

Percent by response



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

Types of Paid Leave Offered full-time employees 5



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

6 Selected Benefits Offered Full-Time and Part-Time Employees

By percent of employers offering

Firm Size Number of Employees		Very Small	Small	Medium	Large	Very Large
		1-3 employees	4-9 employees	10-49 employees	50-249 employees	250+ employees
		Percent of Employers				
Personal Leave	Full-time	14.2	16.4	29.5	39.9	52.9
	Part-time*	3.6	3.0	7.3	17.3	29.4
Vacation	Full-time	25.3	33.7	49.3	69.2	65.7
	Part-time*	5.4	5.4	11.1	19.2	29.4
Holidays	Full-time	25.7	31.8	52.5	77.7	83.3
	Part-time*	6.0	7.5	14.3	29.9	46.1
Sick Leave	Full-time	15.6	19.9	27.4	48.7	60.8
	Part-time*	3.2	3.8	7.7	17.0	29.4
Defined Contributions	Full-time	8.4	10.6	22.7	37.4	44.1
	Part-time*	1.7	3.0	6.8	19.2	39.2
Defined Benefits	Full-time	6.1	7.2	9.0	21.4	46.1
	Part-time*	1.6	2.8	3.0	10.4	31.4
Health Insurance for Future Retirees	Full-time	1.5	1.2	2.1	8.2	23.5
	Part-time*	0.3	0.5	0.9	2.5	15.7
Health Insurance for Current Retirees	Full-time	1.5	1.6	1.9	8.5	28.4
	Part-time*	0.3	0.7	0.8	2.5	16.7
Tax-Deferred Savings Plans	Full-time	8.1	8.7	17.6	42.5	59.8
	Part-time*	2.5	3.3	5.3	20.4	39.2
Education Assistance	Full-time	9.7	8.2	14.6	32.1	57.8
	Part-time*	2.8	3.0	4.9	10.7	27.5
Profit Sharing	Full-time*	5.4	6.5	12.2	18.9	14.7
	Part-time*	1.0	1.2	3.0	6.9	9.8
Flexible Work week	Full-time	9.0	9.9	11.8	21.4	28.4
	Part-time*	3.8	5.1	6.8	9.1	21.6
Child Care Assistance	Full-time	0.9	1.0	2.3	5.0	11.8
	Part-time*	0.0	0.3	1.7	2.2	7.8
Elder Care Assistance	Full-time	0.1	0.0	0.2	0.6	6.9
	Part-time*	0.0	0.0	0.0	0.3	3.9
Employee Assistance Programs	Full-time	4.7	3.0	7.7	22.0	57.8
	Part-time*	1.5	1.6	3.4	11.3	43.1
Employee Wellness Programs	Full-time	1.2	1.4	3.0	9.7	21.6
	Part-time*	0.4	0.5	1.1	6.9	15.7
Short Term Disability	Full-time	5.7	2.6	10.9	31.4	49.0
	Part-time*	1.2	0.5	3.0	9.4	28.4
Long Term Disability	Full-time	7.6	4.0	12.8	36.5	62.7
	Part-time*	1.6	0.9	2.6	11.9	25.5

* Represents the percentage of firms that offer the benefit to part-time workers, but not necessarily the percentage of part-time workers who receive the benefit.

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

provide personal leave to their full-time employees. Nearly 30 percent of the very large firms also offer this benefit to their part-time employees. (See Exhibit 6.)

Retirement benefits

For the purposes of this analysis, retirement plans are classified into two broad categories—defined benefit or defined contribution plans. In the first, commonly known as pension plans, the earned benefit at retirement is specified and the employer bears the investment risk over the years to fund the benefit. In defined contribution plans, the employer contribution is specified and the benefit at retirement is unknown in advance. The employee bears the investment risk in defined contribution plans.

The type of retirement benefit available to Alaska workers, either defined contribution or defined benefit, varies by employer and is closely linked to firm size. With the exception of very large firms, defined contribution retirement plans are more commonly offered than defined benefit plans for both full- and part-time employees. (See Exhibit 6.)

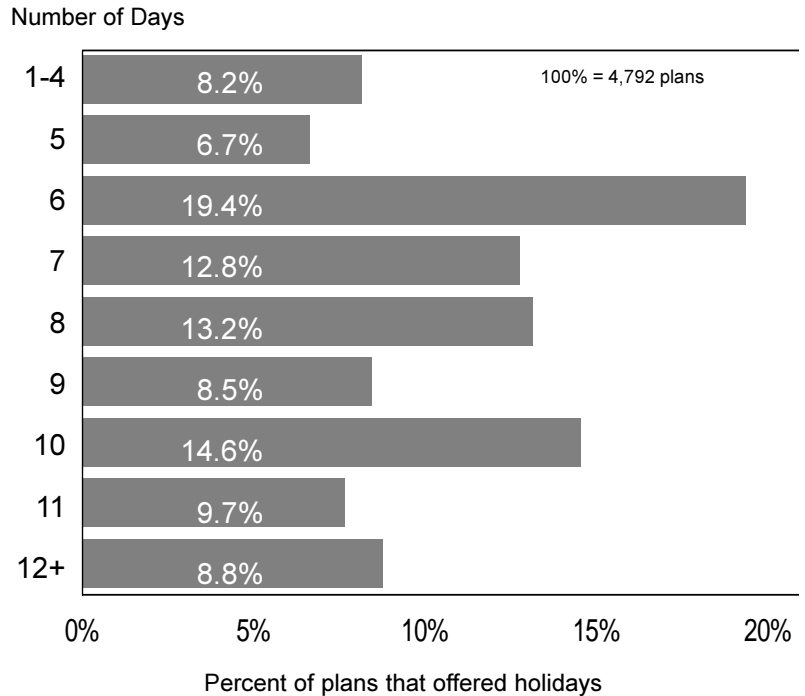
The provision of tax-deferred savings plans is also closely linked to the size of firm. As noted in Exhibit 6, the availability of tax-deferred savings plans, for both full- and part-time employees, increases steadily with firm size.

Health insurance for current or future retirees is also related to the size of the firm. Generally, large firms offering more generous health insurance benefits to their workers are more likely to offer health benefits to current and future retirees.

Other benefits

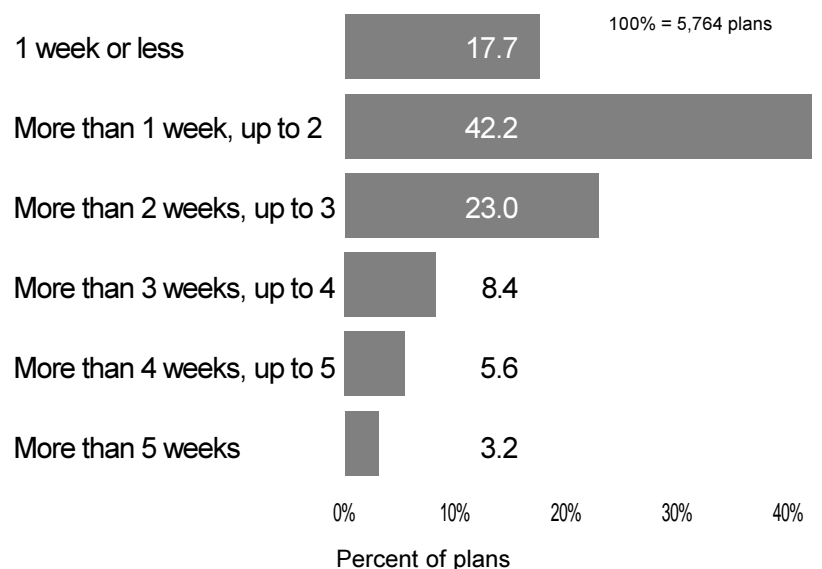
Employers responded to a list of other benefits that they may or may not provide. Education assistance was offered to full-time employees in very small firms nearly ten percent of the time. This rate increased by size class to where the largest size

Paid Holidays per Year 7 For full-time employees



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

Firms Offering Paid Annual Vacation 8 For full-time employees



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

employer group reported the benefit nearly 60 percent of the time. Very small and small size employers offered employees a flexible workweek about ten percent of the time, whereas employers of large and very large size firms reported offering this benefit about 25 percent of the time. Other benefits such as long term disability and short term disability were much more prevalent in larger companies than small, as were employee assistance programs. Childcare assistance and elder care assistance are the least common benefits for which information was provided across all size categories.

Summary

This survey was conducted to gain an understanding of the types of benefits being offered in Alaska's workplace and the prevalence of employers' providing them. Employee benefits are considered an important aspect of job quality.

This study shows that the offering of health care benefits is strongly associated with size of firm. Medium-size and larger firms generally provide more medical and other types of benefits than small firms employing fewer than 10 workers. Very large firms with 250 or more employees

offer benefits most consistently. Employers provide more generous leave and insurance benefits to their full-time employees than to their part-time employees.

Most employers reported their health insurance premiums increased in 2001 from the previous year. Within all size-class categories, premium increases were reported in approximately seven out of ten cases. Employers were found to pay the premiums for their full-time employees about 65 percent of the time; however, only 36 percent of the employers pay the entire cost of a health insurance plan for families of their full-time employees.

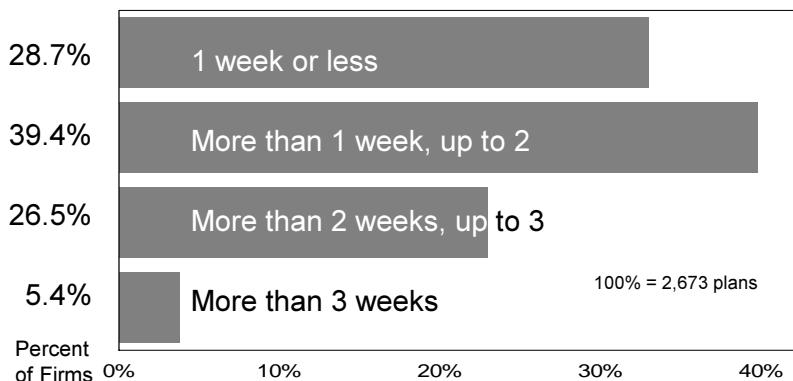
Holiday and vacation days are the types of paid days off received most frequently by full-time employees. Sick leave and personal leave, a combined vacation and sick leave, were the next most offered types of paid leave. Large size employers were once again the most consistent in offering employees paid leave.

1 Health Insurance, the Uninsured: How the New Labor Market is Squeezing Workforce Health Benefits. James L. Medoff, et.al. The Commonwealth Fund. June 2001.

2 The survey sample when drawn was stratified by size class and area; therefore, industry analysis may not meet a 95% confidence level for each sector.

3 Large firms are more likely to offer personal leave, a combined sick and vacation leave bank. Since personal leave was reported separately from both vacation and sick leave, the incidence of sick and vacation leave may be understated.

9 Paid Annual Sick Leave For full-time employees



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

January Economy Gives Mixed Signals

Employment up from a year ago, except oil and gas and seafood

Alaska Employment Scene

by
Brigitta Windisch-Cole
Labor Economist

During the first month of the year Alaska's economy showed a gain of 5,800 jobs over January 2001, a growth rate of 2.2%. (See Exhibit 2.) Only mining and manufacturing were below last year's employment levels. Job losses in the oil and gas and the seafood processing industries were offset by strong gains in construction, retail, services, and the public sector. In another positive development for Alaska's labor force, January's unemployment rate came in at 7.5%, a near record low for this month. (See Exhibit 5.) It was not a bad start of a new year, although there are signs of slowdown. Oil and gas and its support industries have announced layoffs and public budgets face deficits.

Over-the-month trends

If typical employment trends prevail, Alaska's economy reached its seasonal low point in January. The bulk of the over-the-month job loss of 7,800 was associated with the winter slowdown. Construction, retail, services, and transportation industries shed jobs. Government's drop in employment is related to the semester break at the university and winter vacation at local schools. The only industry sector to add jobs during January was manufacturing. The seafood industry geared up for the winter fishery, and processing employment rose by 2,100 jobs. (See Exhibit 2.)

The 1.3 percentage point rise in Alaska's unemployment rate from December 2001 was also typical, meaning that an additional 4,600 workers became unemployed during January. But this year's 24,300 jobless count is 2,100 fewer than

last year. The unemployment rate dropped eight tenths of a percentage point from January 2001.

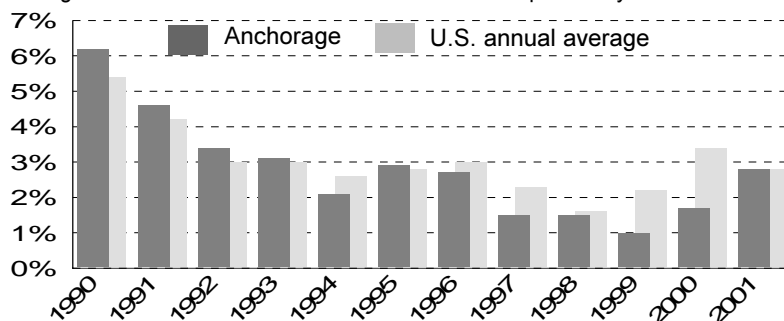
Oil and gas industry scales back

The contraction of the oil and gas industry workforce that started in June 2001 due to project completion has continued. This month, employment in oil and gas was down 800 jobs from January 2001. British Petroleum/Amoco (BP/Amoco) has cut its capital expenditures for 2002 and announced layoffs affecting another 120 workers in Anchorage. In late 2001, BP/Amoco relocated its exploration team of about 30 workers to its headquarters in Houston, Texas, a signal that the company has curtailed exploration expenditures in Alaska. Several other companies, however, will go ahead with exploration and development projects. Chevron/Texaco, for example, plans to spend \$37 million, up 48 percent

(continued on page 30)

Anchorage Consumer Price Rises Match nation's in 2001

Changes in the Consumer Price Index-Urban from the previous year



Source: U.S. Bureau of Labor Statistics

2 Nonagricultural Wage and Salary Employment

By place of work

Alaska	preliminary	revised	Changes from:		
	1/02	12/01	1/01	11/01	1/01
Total Nonag. Wage & Salary	272,000	279,800	266,200	-7,800	5,800
Goods-producing	31,000	30,600	31,500	400	-500
Service-producing	241,000	249,200	234,700	-8,200	6,300
Mining	10,000	10,100	10,800	-100	-800
Oil & Gas Extraction	8,700	8,700	9,500	0	-800
Construction	11,800	12,900	10,900	-1,100	900
Manufacturing	9,200	7,600	9,800	1,600	-600
Durable Goods	1,700	2,000	1,900	-300	-200
Lumber & Wood Products	600	800	700	-200	-100
Nondurable Goods	7,500	5,600	7,900	1,900	-400
Seafood Processing	4,800	2,700	5,200	2,100	-400
Transportation/Comm/Utilities	25,800	26,400	25,800	-600	0
Trucking & Warehousing	3,000	3,100	2,800	-100	200
Water Transportation	1,500	1,700	1,500	-200	0
Air Transportation	9,200	9,400	9,700	-200	-500
Communications	5,500	5,500	5,500	0	0
Electric, Gas & Sanitary Svcs.	2,600	2,600	2,600	0	0
Trade	55,000	58,300	53,400	-3,300	1,600
Wholesale Trade	7,800	8,100	7,800	-300	0
Retail Trade	47,200	50,200	45,600	-3,000	1,600
Gen. Merchandise & Apparel	10,000	10,900	9,500	-900	500
Food Stores	6,200	6,400	6,300	-200	-100
Eating & Drinking Places	15,800	17,000	15,200	-1,200	600
Finance/Insurance/Real Estate	12,400	12,800	12,200	-400	200
Services & Misc.	69,600	71,300	67,300	-1,700	2,300
Hotels & Lodging Places	5,700	6,000	5,600	-300	100
Business Services	8,500	8,900	8,700	-400	-200
Health Services	18,200	18,300	17,100	-100	1,100
Legal Services	1,600	1,600	1,600	0	0
Social Services	8,900	8,800	8,300	100	600
Engineering & Mgmt. Svcs.	7,700	8,000	7,400	-300	300
Government	78,200	80,400	76,000	-2,200	2,200
Federal	16,300	16,600	16,300	-300	0
State	22,500	23,500	21,500	-1,000	1,000
Local	39,400	40,300	38,200	-900	1,200
Tribal	3,000	3,000	2,600	0	400

Municipality of Anchorage	preliminary	revised	Changes from:		
	1/02	12/01	1/01	11/01	1/01
Total Nonag. Wage & Salary	137,400	138,000	134,500	-600	1,900
Goods-producing	11,800	12,400	11,500	-600	700
Service-producing	125,600	125,600	123,000	0	1,200
Mining	2,700	2,700	2,900	0	-200
Oil & Gas Extraction	2,600	2,600	2,800	0	-200
Construction	6,900	7,500	6,500	-600	800
Manufacturing	2,200	2,200	2,100	0	100
Transportation/Comm/Utilities	14,600	14,800	14,300	-200	-400
Air Transportation	5,900	5,900	6,000	0	-600
Communications	3,700	3,700	3,600	0	-100
Trade	33,400	33,200	32,900	200	800
Wholesale Trade	6,300	6,300	6,300	0	200
Retail Trade	27,100	26,900	26,600	200	600
Gen. Merchandise & Apparel	5,900	5,900	5,600	0	300
Food Stores	2,400	2,500	2,500	-100	-100
Eating & Drinking Places	10,000	9,900	9,800	100	300
Finance/Insurance/Real Estate	7,700	7,600	7,600	100	-100
Services & Misc.	40,600	40,700	39,100	-100	700
Hotels & Lodging Places	3,100	2,900	3,000	200	100
Business Services	7,100	7,400	6,800	-300	200
Health Services	10,200	10,000	9,500	200	800
Legal Services	1,200	1,200	1,200	0	0
Social Services	4,000	4,000	3,900	0	-100
Engineering & Mgmt. Svcs.	5,300	5,400	5,200	-100	-300
Government	29,300	29,300	29,100	0	200
Federal	9,700	9,600	9,800	100	-200
State	9,200	9,300	9,000	-100	200
Local	10,400	10,400	10,300	0	200
Tribal	200	200	200	0	0

Notes to Exhibits 2, 3, & 4—Nonagricultural excludes self-employed workers, fishers, domestics, and unpaid family workers as well as agricultural workers. Government category includes employees of public school systems and the University of Alaska.

Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

Exhibit 4—Prepared in part with funding from the Employment Security Division.

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

3 Hours and Earnings

For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 1/02	revised 12/01	revised 1/01	preliminary 1/02	revised 12/01	revised 1/01	preliminary 1/02	revised 12/01	revised 1/01
Mining	\$1,315.52	\$1,316.47	\$1,362.30	44.7	45.1	46.4	\$29.43	\$29.19	\$29.36
Construction	1047.02	1063.9	1035.95	39.6	40.7	40.2	26.44	26.14	25.77
Manufacturing	506.42	660.93	456.04	27.3	35.1	31.3	18.55	18.83	14.57
Seafood Processing	270.66	318.3	284.51	19.5	22.4	27.2	13.88	14.21	10.46
Transportation/Comm/Utilities	709.62	749.92	698.95	33.3	34.4	35.0	21.31	21.8	19.97
Trade	496.47	507.4	454.13	33.5	34.4	33.1	14.82	14.75	13.72
Wholesale Trade	614.6	731.91	610.6	35.1	38.2	35.5	17.51	19.16	17.2
Retail Trade	477.86	472.19	427.39	33.3	33.8	32.7	14.35	13.97	13.07
Finance/Insurance/Real Estate	637.6	652.26	616.36	35.6	36.5	35.1	17.91	17.87	17.56

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

Benchmark: March 2001

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

4 Nonagricultural Wage and Salary Employment

By place of work

	preliminary	revised	Changes from:		
	1/02	12/01	1/01	11/01	1/01
Fairbanks					
North Star Borough					
Total Nonag. Wage & Salary	32,400	34,300	31,900	-1,900	500
Goods-producing	2,650	2,950	2,550	-300	100
Service-producing	29,750	31,350	29,350	-1,600	400
Mining	700	750	650	-50	50
Construction	1,400	1,650	1,350	-250	50
Manufacturing	550	550	550	0	0
Transportation/Comm/Utilities	2,900	3,050	2,900	-150	0
Trucking & Warehousing	600	600	550	0	50
Air Transportation	950	1,000	1,000	-50	-50
Communications	350	350	350	0	0
Trade	6,650	7,050	6,400	-400	250
Wholesale Trade	650	650	700	0	-50
Retail Trade	6,000	6,400	5,700	-400	300
Gen. Merchandise & Apparel	1,200	1,350	1,100	-150	100
Food Stores	600	650	550	-50	50
Eating & Drinking Places	2,250	2,400	2,100	-150	150
Finance/Insurance/Real Estate	1,150	1,200	1,100	-50	50
Services & Misc.	8,350	8,450	8,250	-100	100
Hotels & Lodging Places	650	750	650	-100	0
Health Services	2,150	2,100	2,050	50	100
Government	10,700	11,600	10,700	-900	0
Federal	3,250	3,350	3,300	-100	-50
State	4,450	5,000	4,250	-550	200
Local	3,000	3,250	3,150	-250	-150
Tribal (no data)	-	-	-	-	-

Southeast Region

Total Nonag. Wage & Salary	32,200	34,250	31,450	-2,050	750
Goods-producing	2,950	3,450	3,050	-500	-100
Service-producing	29,250	30,800	28,400	-1,550	850
Mining	300	300	300	0	0
Construction	1,300	1,450	1,250	-150	50
Manufacturing	1,350	1,700	1,500	-350	-150
Durable Goods	600	750	750	-150	-150
Lumber & Wood Products	350	500	400	-150	-50
Nondurable Goods	750	950	750	-200	0
Seafood Processing	450	650	450	-200	0
Transportation/Comm/Utilities	2,200	2,450	2,250	-250	-50
Trade	5,550	6,050	5,300	-500	250
Wholesale Trade	550	550	500	0	50
Retail Trade	5,000	5,500	4,800	-500	200
Food Stores	1,200	1,250	1,250	-50	-50
Finance/Insurance/Real Estate	1,300	1,350	1,200	-50	100
Services & Misc.	7,100	7,450	7,000	-350	100
Health Services	1,750	1,750	1,700	0	50
Government	13,100	13,500	12,650	-400	450
Federal	1,650	1,700	1,600	-50	50
State	5,300	5,500	5,150	-200	150
Local	6,150	6,300	5,900	-150	250
Tribal	550	600	500	-50	50

Northern Region

Total Nonag. Wage & Salary	15,600	16,050	15,350	-450	250
Goods-producing	5,500	5,600	5,700	-100	-200
Service-producing	10,100	10,450	9,650	-350	450
Mining	5,000	5,000	5,200	0	-200
Oil & Gas Extraction	4,600	4,550	4,750	50	-150
Government	4,850	4,950	4,700	-100	150
Federal	150	150	150	0	0
State	300	300	300	0	0
Local	4,400	4,500	4,250	-100	150
Tribal	400	400	350	0	50

	preliminary	revised	Changes from:		
	1/02	12/01	1/01	11/01	1/01
Interior Region					
Total Nonag. Wage & Salary	36,800	39,100	36,250	-2,300	550
Goods-producing	2,850	3,250	2,750	-400	100
Service-producing	33,950	35,850	33,500	-1,900	450
Mining	850	900	800	-50	50
Construction	1,450	1,750	1,400	-300	50
Manufacturing	550	600	550	-50	0
Transportation/Comm/Utilities	3,450	3,600	3,450	-150	0
Trade	7,150	7,700	6,950	-550	200
Finance/Insurance/Real Estate	1,250	1,250	1,200	0	50
Services & Misc.	8,850	9,000	8,750	-150	100
Hotels & Lodging Places	750	850	750	-100	0
Government	13,250	14,300	13,150	-1,050	100
Federal	3,650	3,800	3,750	-150	-100
State	4,650	5,250	4,450	-600	200
Local	4,950	5,250	4,950	-300	0
Tribal	300	300	200	0	100

Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	147,100	151,000	143,200	-3,900	3,900
Goods-producing	12,350	12,850	11,950	-500	400
Service-producing	134,750	138,150	131,250	-3,400	3,500
Mining	2,700	2,750	3,150	-50	-450
Construction	7,300	7,650	6,650	-350	650
Manufacturing	2,350	2,450	2,150	-100	200
Transportation/Comm/Utilities	15,650	15,900	15,750	-250	-100
Trade	35,100	36,800	34,000	-1,700	1,100
Finance/Insurance/Real Estate	7,950	8,150	8,000	-200	-50
Services & Misc.	43,200	44,100	41,600	-900	1,600
Government	32,850	33,200	31,900	-350	950
Federal	9,700	9,850	9,850	-150	-150
State	10,250	10,400	9,600	-150	650
Local	12,900	12,950	12,450	-50	450
Tribal	200	250	200	-50	0

Southwest Region

Total Nonag. Wage & Salary	15,850	14,650	15,750	1,200	100
Goods-producing	2,950	1,300	3,250	1,650	-300
Service-producing	12,900	13,350	12,500	-450	400
Seafood Processing	2,800	1,150	3,100	1,650	-300
Government	6,850	7,150	6,750	-300	100
Federal	300	350	300	-50	0
State	450	400	500	50	-50
Local	6,100	6,400	5,950	-300	150
Tribal	1,300	1,300	1,100	0	200

Gulf Coast Region

Total Nonag. Wage & Salary	24,500	24,800	24,300	-300	200
Goods-producing	4,450	4,000	4,700	450	-250
Service-producing	20,050	20,800	19,600	-750	450
Mining	1,150	1,150	1,350	0	-200
Oil & Gas Extraction	1,150	1,150	1,300	0	-150
Construction	1,200	1,250	1,000	-50	200
Manufacturing	2,100	1,600	2,350	500	-250
Seafood Processing	1,300	750	1,550	550	-250
Transportation/Comm/Utilities	2,300	2,300	2,250	0	50
Trade	4,750	5,000	4,650	-250	100
Wholesale Trade	350	350	350	0	0
Retail Trade	4,400	4,650	4,300	-250	100
Eating & Drinking Places	1,400	1,450	1,350	-50	50
Finance/Insurance/Real Estate	650	700	700	-50	-50
Services & Misc.	5,250	5,600	5,150	-350	100
Health Services	1,250	1,250	1,150	0	100
Government	7,100	7,200	6,850	-100	250
Federal	700	700	650	0	50
State	1,550	1,600	1,450	-50	100
Local	4,850	4,900	4,750	-50	100
Tribal	250	250	250	0	0

5 Unemployment Rates

By region and census area

Not Seasonally Adjusted	preliminary 1/02	revised 12/01	1/01
United States	6.3	5.4	4.7
Alaska Statewide	7.5	6.2	8.3
Anchorage/Mat-Su Region	5.5	4.6	6.2
Municipality of Anchorage	4.8	4.0	5.4
Mat-Su Borough	8.8	7.4	10.4
Gulf Coast Region	12.5	11.2	13.5
Kenai Peninsula Borough	12.9	10.6	13.8
Kodiak Island Borough	11.2	13.7	12.0
Valdez-Cordova	12.4	10.3	14.0
Interior Region	8.0	6.2	8.7
Denali Borough	12.9	9.9	13.5
Fairbanks North Star Borough	7.0	5.5	7.6
Southeast Fairbanks	13.6	11.4	15.5
Yukon-Koyukuk	17.2	13.2	18.6
Northern Region	10.8	8.7	12.0
Nome	10.7	9.0	12.4
North Slope Borough	8.1	6.3	8.2
Northwest Arctic Borough	15.1	11.9	16.8
Southeast Region	9.8	7.8	10.6
Haines Borough	16.0	13.1	17.0
Juneau Borough	6.0	5.0	6.3
Ketchikan Gateway Borough	11.0	8.6	11.1
Prince of Wales-Outer Ketchikan	16.8	13.1	20.4
Sitka Borough	7.5	6.1	7.2
Skagway-Hoonah-Angoon	16.2	12.9	18.4
Wrangell-Petersburg	14.8	10.9	16.7
Yakutat Borough	16.2	13.9	17.1
Southwest Region	11.9	10.1	13.2
Aleutians East Borough	6.5	4.1	10.1
Aleutians West	14.7	10.5	17.4
Bethel	10.1	8.9	10.9
Bristol Bay Borough	16.0	15.4	15.2
Dillingham	10.3	9.6	9.9
Lake & Peninsula Borough	13.6	12.3	13.5
Wade Hampton	17.7	15.5	19.6
Seasonally Adjusted			
United States	5.6	5.8	4.2
Alaska Statewide	5.9	6.0	6.6

2001 Benchmark

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

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

(continued from page 27)

from last year, on exploration of its North Slope properties. Several Cook Inlet operators are also expected to step up capital spending. But these efforts will not be sufficient to counter the momentary industry downturn. Absence of large development projects and lower oil prices have put a damper on industry employment growth. Oil's support industries are affected by BP/Amoco's cutbacks. During downsizing, about 75 contract workers will lose their jobs. Alyeska Pipeline Service Company also plans to trim staff.

The seafood industry adopts new ways

Marking the start of the winter fishery, seafood industry employment rose in January by 2,100 jobs. Harvests in western Alaska for pollock and snow crab employ most of the industry's workers. A good harvest is expected due to a five percent pollock quota increase over last year's volume and a slightly higher snow crab quota; nevertheless, employment fell below the 2001 start-up level.

One of the reasons for the smaller processing crew size may be organizational changes in the ground fishery. A large part of the fishing fleet that contracts with fish processing companies has been put on delivery schedules to avoid idle processing time or bottlenecks in production. The seafood unit of the Alaska Department of Labor and Workforce Development's employment services division noted a high retention rate among the industry's seasonal workers. More experienced workers than in past years hired on for the season. A lower labor turnover rate could increase production efficiency. Crab harvesters brought in the bulk of the catch in January. The fleet reported harsh weather conditions that led to spotty fishing and extended fishing time. Harvest prices were lower than last year. For groundfish trawlers, January marked the start of their season that most likely will stretch into March. Their early-season fishing reports were optimistic.

Consumer prices in Anchorage rise

The annual average increase of consumer prices in Anchorage during 2001 measured a six-year high of 2.8%, matching the national rate of change. Prices advanced more during the first half of 2001 than during the second half. The 3.6% rise in housing costs was the dominant factor in the overall increase. Price increases in the energy/utility component of housing cost were steep during the first half of 2001, going up 13.1%, but slowed to 3.4% in the second half. Health care, as in past years, was also a major cost driver in 2001, increasing by four percent.

The consumer price index for urban consumers in Anchorage is the inflation indicator most widely used in Alaska. Between 1996 and 2000 average changes in the Anchorage index ranged between 1.0% and 2.7% and they remained below the national averages. (See Exhibit 1.) Rising prices for houses and rents could continue to exert pressure on Anchorage's local rate of inflation.

Employer Resources

Is the lack of bonding coverage keeping you from working or from hiring someone?

WE CAN HELP

The Fidelity Bonding Program is administered by the Alaska Department of Labor and Workforce Development, Employment Security Division. It is designed to eliminate bonding as a barrier to employment, and alleviate employer concerns about hiring at-risk job applicants.

Go to: www.jobs.state.ak.us and click on Employer Connections. Then click on Employee Bonding.

www.jobs.state.ak.us

The screenshot shows the website's navigation structure. On the homepage, there are dropdown menus for 'Employer Connection', 'Job Seeker Resources', 'Training and Assistance', and 'Job Market Information'. A large arrow points from the 'Employer Connection' dropdown to the 'Employer Connection' page. On that page, another arrow points to the 'Employee Bonding' link in the 'Seafood Industry Employers' section.

ALASKA DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT
State of Alaska

Job Seekers | Workers | Employers | Researchers

EMPLOYMENT SECURITY DIVISION

LINKS
HOME PAGE
ADULT BASIC EDUCATION
ALASKA JOB CENTERS
ALASKA'S JOB BANK
EMPLOYMENT SECURITY TAX
FINDING WORK IN ALASKA
JOB TRAINING PROGRAMS
SEAFOOD JOBS
UNEMPLOYMENT INSURANCE
WELFARE TO WORK
VETERAN'S SERVICES

DEPARTMENT LINKS

Click here to select ---->

OTHER STATE LINKS

Click here to select ---->

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Who is considered "at-risk"?

- **Ex-offenders**, including anyone with a record of arrest, conviction or imprisonment, and anyone who has ever been on probation or parole
- **Ex-addicts** (persons with a history of alcohol or drug abuse)
- Persons having a **poor credit record** or who have declared bankruptcy
- **Economically disadvantaged persons who lack a work history**
- Individuals who were **dishonorably discharged from the military**
- Others who experience a barrier to gaining employment due to their personal background.

How Bonds can help

- Employers receive the bonds free-of-charge as an incentive to hire hard-to-place job applicants.