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Q1 Contact Information for Nomination

Name of Contact	Hannah Lager
Full Name of State Agency	Alaska Department of Labor and Workforce Development
Email Address	hannah.lager@alaska.gov
Name of Initiative the state (and/or partnership) is being nominated for:	Alaska Economic Trends Magazine

Q2 1. Provide a brief description of the nominee's significant contributions in one of the following areas (your primary focus): building the capacity of its workforce and labor market information functions; developing high impact products and services; OR making an impact on efforts in other states and nationally. Response Word Limit: 150

The AKDOLWD Labor Market Information section researches, develops, produces, and distributes a monthly magazine titled "Alaska Economic Trends", which provides in-depth articles and analysis on selected topics relevant to the public, industry, governmental organizations, and the private sector. Each issue helps better inform the reader on an aspect of Alaska's economy using understandable language, appropriate charts, and reliable data. The monthly magazine is an impactful communication tool with readers from inside state government, throughout Alaska's industries, and the public, and is nominated under the "High Impact Products and Services" criteria.

Articles in the magazine use data from state-specific data sources, including occupational data in wage records and Alaska Permanent Fund Dividend applications, to provide insights into specific aspects of Alaska's economy. Recent articles have included analysis of gender and compensation ("The Gender Wage Gap", September 2019), and Alaska's labor force participation ("Alaska's Labor Force Participation Decline", October 2019), among others.

2020 NASWA State Innovation Award Nomination - **Data Insights and Innovations Award**

Q3 2. Provide a statement of results, accomplishments, impacts and any other appropriate information that demonstrates why the nominee's efforts described in question #1 were an exceptional contribution. Response Word Limit: 200

Alaska is one of only a few states that produce monthly publications on state economic trends that include articles or other comprehensive analysis. Many states regularly publish data snapshots by county or regional area; however, that approach is not as impactful in Alaska given the state's unique local government structures and the large number of communities that are geographically isolated and located outside of a county or municipality. Alaska Economic Trends includes articles of statewide relevance to ensure that readers throughout the state benefit from the published information. The magazine regularly includes comprehensive, original articles on seasonally-relevant topics to help expand Alaskans' knowledge of economic impacts and activities in the state. The magazine has over 6,000 monthly subscriptions, as well as 600 print subscriptions – in a state with just over 700,000 residents. In 2019, the online publication was viewed over 100,000 times.

Timely publication of Alaska Economic Trends provides data and analysis to support the department's mission, priorities, and initiatives, which in turn encourages alignment and integration of services and facilitates greater accessibility to programs and funding. Alaska Economic Trends' readership throughout the state demonstrates the high-value nature of the publication.

Q4 3. Provide a brief description of the nominee's significant contributions in any one of the other two areas listed under "criteria" that you did not focus on above. Response Word Limit: 200

Alaska Economic Trends magazine meets the criteria for both the Capacity Building and National Impact categories. Articles in Alaska Economic Trends are focused on Alaska-specific topics and industries, with some regularly-occurring articles and updates being published on an annual schedule. For example, each November the magazine focuses on a topic relevant to the seafood industry in Alaska. The reliable, regular reporting of data in the magazines serves as a resource to Alaska's workers and industry so they can apply labor data to their operational activity.

Alaska Economic Trends also demonstrates the AKDOLWD's commitment to providing reliable, consistent, and trustworthy data and professional analysis in an easy-to-read, easy-to-share format. Alaska Economic Trends is a clear and concise publication format that could be replicated in other states to improve stakeholder knowledge of state economic data and trends.

Q5 4. Provide samples of work including creative materials, videos, graphics, documents, plans, etc. regarding the efforts and results you outlined in questions #1 and #2. File size limit is 16 MB. Only PDF, DOC, DOCX, PNG, JPG, JPEG, GIF files are supported.

Alaska Economic Trends January 2020.pdf (8.7MB)

Q6 Sample of Work #2 File size limit is 16 MB.

Alaska Economic Trends December 2019.pdf (5.8MB)

Q7 Sample of Work #3 File size limit is 16 MB.

Alaska Economic Trends November 2019.pdf (4.9MB)

Q8 Sample of Work #4 File size limit is 16 MB.

Alaska Economic Trends October 2019.pdf (4.1MB)

Q9 Sample of Work #5File size limit is 16 MB.

Alaska Economic Trends September 2019.pdf (4.8MB)

Q10 Please upload a statement of approval from the Agency Administrator

AKDOLWD NASWA Nomination - Agency Administrator Support Letter.pdf (183.6KB)



THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

Department of Labor and Workforce Development

Office of the Commissioner

PO Box 111149
Juneau, Alaska 99811
Main: 907.465.2700

January 7, 2020

Dear Evaluation Committee:

It is with great pleasure that I support the Alaska Department of Labor and Workforce Development's nomination of the Labor Market Information section's Alaska Economic Trends for the National Association of State Workforce Agencies 2020 Data Insight and Innovations Award. Alaska Economic Trends magazine is a shining example of the department's commitment to providing data and comprehensive analyses of topics affecting Alaska's labor market to enhance job opportunities and expanded labor markets in the state.

Sincerely,

A handwritten signature in black ink, appearing to read "Tamika L. Ledbetter".

Dr. Tamika L. Ledbetter
Commissioner



ALASKA ECONOMIC
TRENDS
DECEMBER 2019

Construction's Winding Road

ALSO INSIDE
Commuting across Alaska

FROM THE COMMISSIONER

New interagency task force will support at-risk youth

By Dr. Tamika L. Ledbetter, Commissioner

Many of Alaska's at-risk youth face a range of obstacles during their transition to adulthood. Factors such as poverty, lack of positive parental involvement, homelessness, and academic deficiencies can make young people increasingly vulnerable and threaten their future success.

Many leaders in Alaska have expressed concern about the growing population of at-risk youth, especially those exiting the foster care system and the Division of Juvenile Justice's correctional facilities with few supports in place.

Targeted programs and services that promote stability and development can provide these at-risk youth with the opportunities and support they need to become successful adults, especially for those who are less inclined to ask for help. Case managers, school counselors, and health care professionals agree the toughest part of working with young people between 14 and 24 is maintaining regular contact, which is essential for follow-up services.

Coordinating public and private resources helps direct these services where they're needed most. One way the State of Alaska is demonstrating this commitment, and our belief in the difference employment can



make in the futures of at-risk youth, is through a new initiative facilitated by the Department of Labor and Workforce Development, in collaboration with multiple divisions in state government. Through a partnership with the Department of Health and Social Services, we've created a task force to coordinate and maximize

our departments' resources to improve outcomes for at-risk youth. This task force will include leadership from my department's Division of Vocational Rehabilitation, Alaska Workforce Investment Board, and AVTEC; and from Health and Social Services' Office of Children's Services' Independent Living Program and Division of Juvenile Justice.

The Department of Labor and Workforce Development has hired a program coordinator to oversee this collaboration and designate funding. I am excited about this partnership and confident the task force will improve the lives of many young Alaskans as we support their efforts to gain basic job skills, explore career options, and achieve financial independence.

Contact Dr. Tamika L. Ledbetter, Commissioner, at (907) 465-2700 or commissioner.labor@alaska.gov.



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2019

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SARA WHITNEY
Editor

DAN ROBINSON
Chief, Research
and Analysis

ON THE COVER:

Design by Sara Whitney

Miles Derr, one of the state's few certified tower crane operators, lifts roofing panels using a Liebherr Tower Crane during the 2015 remodel of the Andrew P. Kashevaroff State Library, Archives, and Museum in Juneau.
Photo by Kim Jones

ALASKA
DEPARTMENT of LABOR
and WORKFORCE
DEVELOPMENT

Governor
Michael J. Dunleavy
Commissioner
Dr. Tamika L. Ledbetter

ALASKA ECONOMIC TRENDS

4 CONSTRUCTION'S WINDING ROAD

Industry growing again but has a long road to full recovery

7 COMMUTES ACROSS ALASKA ARE COMMON

Alaska has more intrastate commuters than most states

10 GAUGING ALASKA'S ECONOMY

Trends is a nonpartisan, data-driven magazine that covers a range of economic topics in Alaska.

ON THIS SPREAD: The background image for 2019 is an aerial photo of rivers near Circle by Dr. Travis Nelson, who teaches at the Center for Pediatric Dentistry in Seattle. Nelson visited Alaska in May 2010 to provide dental care to children in Venetie, Circle, and Fort Yukon.

If you have questions or comments, contact editor Sara Whitney at sara.whitney@alaska.gov or (907) 465-6561.
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Construction's Winding Road

Industry growing again but has a long road to full recovery

By NEAL FRIED

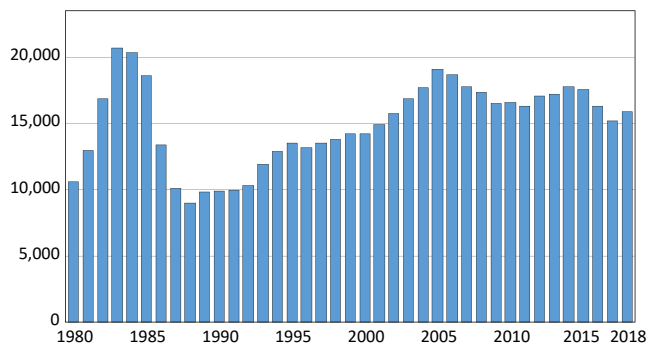
After two years of big job losses, Alaska's construction industry started growing again in 2018 and continued adding jobs in 2019. (See exhibits 1 and 2.) No single project is responsible for the reversal, although projects tied to Eielson Air Force Base and other military installations in the Interior plus an improving outlook for the oil industry are major factors.

It will likely take several years for the industry to recover its lost ground. Construction lost more than 2,400 jobs in 2016 and 2017, making it one of the biggest job-losers during the state recession. The industry added 600 jobs in 2018, and growth slowed only slightly in 2019.

If we use 2005 as a benchmark, construction has a longer road to recovery than

2 Jobs Last Peaked in 2005

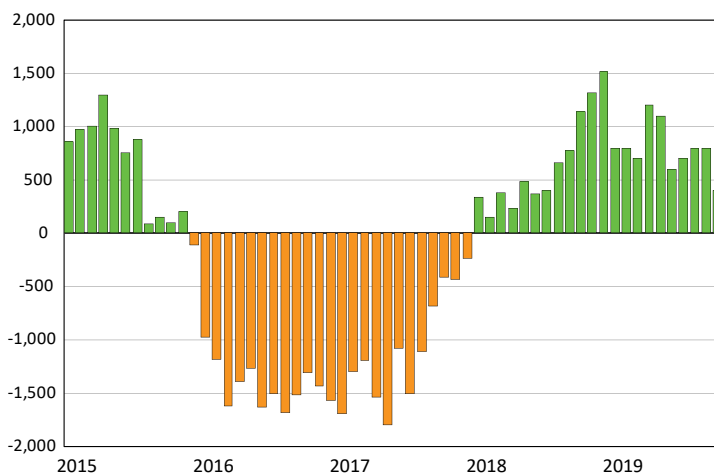
ALASKA CONSTRUCTION, 1980 TO 2018



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

1 Construction Began to Recover in '18

CHANGE FROM SAME MONTH PRIOR YEAR, 2015-19



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

most industries. (See Exhibit 2.) Most had been growing in the years before the recession, but construction employment hit its most recent peak in 2005, at 19,100 jobs, and then declined for the next six years.

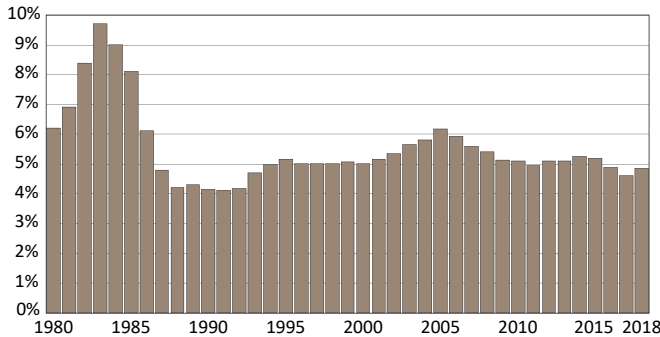
Role in the economy has changed

Construction can be a bellwether of economic strength, because it's visual evidence of growth and increased capacity for other industries to expand.

Historically, the construction industry often dictated the direction of Alaska's economy as well as its strength. In the 1940s, the construction boom tied to World War II and the military buildup was the reason the state's economy flourished. The same was true during the 1950s with the Cold War, and in the 1970s the economy was reshaped by construction of the Trans-Alaska Pipeline, the largest project in Alaska's history.

3 Construction Represents About 5% of Alaska Jobs

SHARE OF TOTAL, 1980 TO 2018



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

During peak construction in 1975 and 1976, the industry paid more than a third of the state’s wages. (In 2018, it was just 7 percent.) Then, in the early 1980s, record oil revenues prompted the state’s largest population surge to date, which launched another construction boom. The bust that followed wiped out more than half of the industry’s jobs (see Exhibit 2), and construction employment levels are still well below those heights.

Construction remained a large and volatile component of Alaska’s economy until the 1990s. Since then, its size and role in Alaska’s economy have transitioned into accommodating growth rather than leading it. Since peaking at nearly 10 percent of all wage and salary jobs in the early 1980s, the industry has remained within a narrow band of 5 to 6 percent of jobs during most of the last three decades. (See Exhibit 3.)

Total value has tracked with jobs

Although construction’s role in Alaska’s economy has changed, it remains essential. Besides building roads, houses, offices, stores, and restaurants, the construction industry is often where new money to the state is initially spent by the oil industry, federal government, tourism companies, and other outside investors.

The value of all construction spending in the state generally tracks with job numbers. (See Exhibits 4 and 5.) For example, the 2016 and 2017 job losses mirrored the \$1 billion-plus decline in construction value between 2015 and 2016, which led to a low in 2017 during the recession.

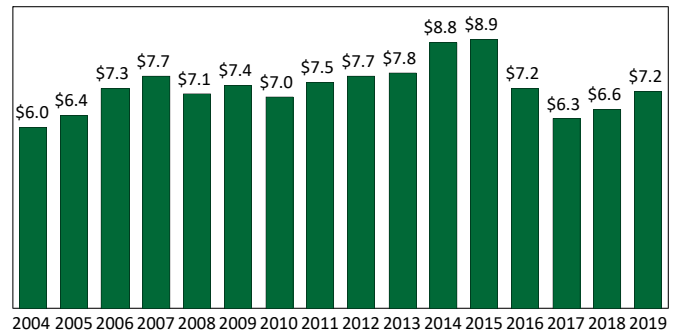
Military spending remains vital

Defense spending has long supported construction in

4 Total Construction Value Ticks Up After Big Drops

ALASKA VALUE IN BILLIONS, 2004 TO 2019

Value of all construction in Alaska, in billions



Sources: University of Alaska Anchorage ISER Annual Construction Forecast and Alaska Associated General Contractors

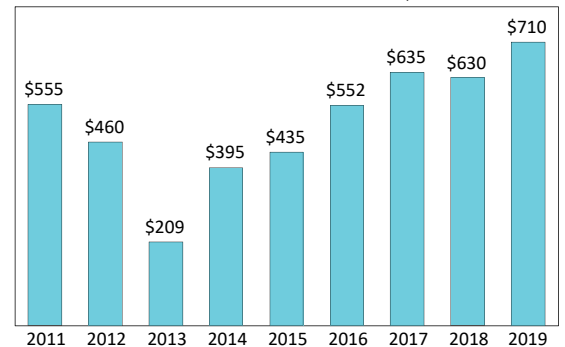
Alaska, dominating the industry starting in World War II and through the Cold War into the 1960s, which re-shaped the state. Numerous military installations are that period’s legacy, and their continued operation is an ongoing source of construction projects.

Ten percent of all construction spending in 2019 was tied to national defense, up 13 percent and \$80 million from the previous year. (See Exhibit 5.) A large share is the big military investment in reconstruction at Eielson Air Force Base, near Fairbanks, to accommodate the two full squadrons of F-35s that will arrive in 2020. Additional defense construction is under way elsewhere in the Interior, at Clear Air Force Base and Fort Greely, and is always in progress around the state at Joint Base Elmendorf-Richardson in Anchorage, Fort Wainwright in Fairbanks, and various Coast Guard bases.

5 Military Spending Grows

CONSTRUCTION RELATED, 2011 TO 2019

Value of all defense-related construction in Alaska, in millions



Sources: University of Alaska Anchorage ISER Annual Construction Forecast and Alaska Associated General Contractors

Number of new homes way down

Residential construction has dwindled in recent years. (See Exhibit 6.) In 2018, the number of new housing units was the smallest since 1993, when the state had 139,000 fewer people.

While the 2015-2018 recession took a clear toll on the housing market, Alaska had already been adding new housing stock at a slow pace for the entire decade, in line with its modest population growth.

Because of the big drop in oil revenues that began in fiscal year 2015, the past five years' state capital budgets can only be described as bare bones. (See Exhibit 7.) Most of the state revenues have simply been matches for federal dollars, a pattern that shows no sign of changing. The FY 2013 capital budget was 75 percent state-funded, but for FY 2019 it was just 25 percent and for FY 2020 it was 21 percent.

Residential construction's share of the industry's value was about 4 percent in 2018, though it represented nearly 11 percent of construction employment.

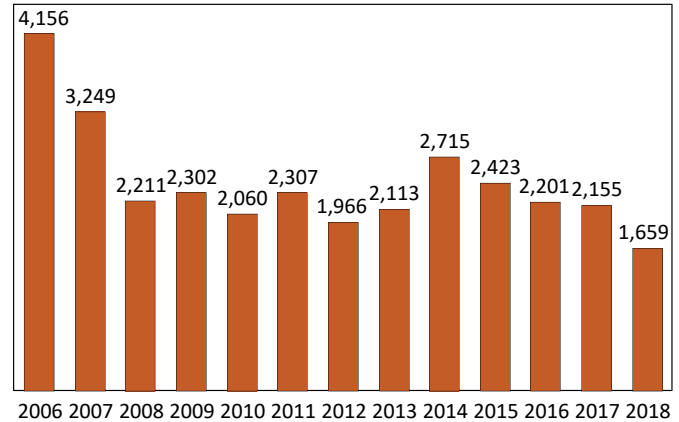
Most jobs based in Anchorage and Mat-Su, even if activity is elsewhere

The Anchorage/Matanuska-Susitna Region is home to more than half the state's construction jobs. (See Exhibit 8 on page 14.) It's important to note that Anchorage/Mat-Su and, to a lesser extent, the Interior are overrepresented in the employment data. Although the jobs are counted in these areas, the actual construction activity is more dispersed across the state.

Employment data are categorized by a firm's location.

6 Residential Building Is Down

NEW HOMES IN ALASKA, 2006 TO 2018



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

Projects are often nomadic and short-term, and trying to account for the location of the work and the residence of the workers is impractical. Instead, businesses report employment by where their headquarters are located. For example, a number of Eielson contracts were won by Anchorage construction firms, which means the jobs were reported in Anchorage even though the construction was in Fairbanks.

A look at the types of construction

Construction employment is divided into three major categories according to the type of work: construction of buildings, heavy construction, and specialty trade contractors.

The buildings category is primarily for residential and commercial structures such as homes, hotels, institutions such as hospitals, and stores. Heavy construction firms handle large projects ranging from infrastructure such as roads and bridges to pipeline construction, other oil and gas work, power plants, and other heavy and civil and defense projects. The largest category, specialty contractors, focuses on jobs such as painting, plumbing, electrical work, concrete, framing, glass, and erecting structural steel. In many cases, a project involves all three categories.

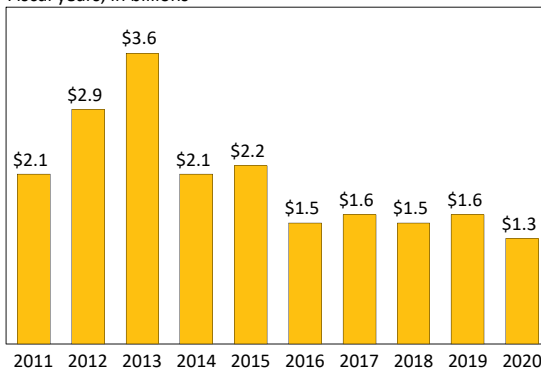
Heavy construction is a larger part of the industry in Alaska than nationwide, at 26 percent versus 14 percent, because Alaska has more infrastructure projects. That percentage has also increased in recent years — not because Alaska is building more large infrastructure, but because we're constructing fewer residential

Continued on page 14

7 Bare Bones Capital Budgets

ALASKA, FISCAL YEARS 2011 TO 2020

Fiscal years, in billions



Source: Alaska Division of Legislative Finance

Commutes Across Alaska Are Common

Alaska has more intrastate commuters than most states

By ROB KREIGER

Like a lot of things in Alaska, our work commutes can be extreme. More than 2,500 people who live in the Matanuska-Susitna borough, for example, “commute” about 500 miles to work in the North Slope Borough for shifts lasting a week or more. More similar to Lower 48 commuters are the nearly 13,000 Mat-Su residents who drive to Anchorage to work every day.

Setting aside all the nonresidents who work in Alaska — about 20 percent of all workers in Alaska — this article focuses on intrastate commuting by Alaska residents. Much of that commuting occurs because of the combination of high-wage industries and remote work sites, such as the North Slope oil fields or the hard rock mining that takes place far from population centers. Other industries with highly seasonal work, such as seafood processing and tourism, also depend on other parts of the state to provide at least some of their workers during peak months.

Most do live where they work

In nearly all of Alaska’s boroughs and census areas, the vast majority of those who live there also work there. This is particularly true in larger cities not associated with highly seasonal industries and in smaller areas without much fishing or tourism. (See Exhibit 1.)

Of the 322,134 resident workers in 2017, 85 percent lived in the area where they worked. Kodiak, Sitka, and Prince of Wales-Hyder had the highest percentages of local workers. Working Alaskans in these areas as well as in Kenai, Juneau, and Wrangell were all over 90 percent local.

Sitka and Prince of Wales-Hyder both have high percentages of locals working in local government, and employ few Alaskans from elsewhere. Kodiak is somewhat unusual in that its seafood processing, an industry that typically draws in workers from around the state,

1 Percent of Alaskan Workers Who Are Locals, By Area

ALASKA, 2017

Borough or Census Area	Resident Workers Who Are Local
Kodiak Island Borough	93.1%
Sitka, City and Borough	92.8%
Prince of Wales-Hyder Census Area	92.8%
Kenai Peninsula Borough	92.3%
Juneau, City and Borough	91.5%
Wrangell, City and Borough	90.2%
Kusilvak Census Area	89.8%
Matanuska-Susitna Borough	89.5%
Petersburg Borough	88.9%
Ketchikan Gateway Borough	87.9%
Nome Census Area	87.9%
Hoonah-Angoon Census Area	87.5%
Anchorage, Municipality	87.5%
Haines Borough	86.9%
Bethel Census Area	86.9%
Fairbanks North Star Borough	86.4%
Skagway, Municipality	84.5%
Yakutat, City and Borough	83.7%
Dillingham Census Area	83.5%
Aleutians West Census Area	82.6%
Northwest Arctic Borough	79.3%
Valdez-Cordova Census Area	78.8%
Yukon-Koyukuk Census Area	77.8%
Lake and Peninsula Borough	74.1%
Aleutians East Borough	69.2%
Southeast Fairbanks Census Area	68.9%
Denali Borough	47.7%
Bristol Bay Borough	42.6%
North Slope Borough	29.1%

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

employs mostly locals and provides year-round jobs. About a quarter of all Kodiak residents work in seafood processing there, and few Alaskans commute in from elsewhere.

2

Where People Work, by Area of Residence

ALASKA, 2018

Place of Residence	Place of Work												
	Aleutians East	Aleutians West	Anchorage	Bethel	Bristol Bay	Denali	Dillingham	Fbks N Star	Haines	Hoonah-Angoon	Juneau	Kenai Pen	
Aleutians E	780	4	14	0	4	0	1	1	0	0	1	2	
Aleutians W	42	1,950	37	0	5	1	1	3	1	0	0	1	
Anchorage	173	203	121,879	390	225	253	155	2,455	26	9	341	923	
Bethel	4	1	184	7,935	37	5	63	31	0	0	7	19	
Bristol Bay	0	1	19	2	353	0	16	0	0	0	2	2	
Denali	1	3	21	1	0	624	0	73	1	0	3	1	
Dillingham	0	0	72	8	14	0	2,034	10	2	0	1	4	
Fbks N Star	7	12	1,627	50	19	181	11	33,687	5	4	88	113	
Haines	0	0	15	0	0	2	0	8	832	23	95	4	
Hoonah-Angoon	0	0	12	2	0	2	0	8	18	727	92	1	
Juneau	14	15	335	8	6	4	6	323	23	43	15,021	23	
Kenai Pen	21	28	1,340	56	22	29	19	487	6	1	143	19,997	
Ketchikan	2	4	58	5	6	1	1	15	1	2	159	13	
Kodiak	8	21	135	10	45	3	4	13	3	2	31	37	
Kusilvak	2	3	111	424	4	7	33	19	2	1	3	14	
Lake and Pen	17	3	39	0	17	1	25	1	1	0	1	13	
Mat-Su	35	93	12,757	172	54	153	56	1,140	11	2	159	384	
Nome	2	2	68	8	0	1	1	19	0	0	1	13	
N Slope	1	1	34	15	0	1	0	22	0	0	2	4	
NW Arctic	1	1	69	6	0	0	0	13	0	0	3	9	
Petersburg	1	2	10	0	1	0	1	10	2	1	40	0	
POW-Hyder	1	1	37	6	4	0	1	8	5	5	66	3	
Sitka	1	1	44	4	2	2	1	19	4	7	81	11	
Skagway	0	1	7	1	5	3	0	3	4	0	14	1	
SE Fairbanks	1	3	120	4	1	10	0	313	1	2	9	4	
Valdez-Cordova	10	2	223	5	1	3	5	112	4	0	22	64	
Wrangell	2	2	8	0	2	2	2	6	4	2	30	3	
Yakutat	0	1	4	0	0	0	0	0	1	0	5	0	
Yukon-Koyukuk	1	3	61	20	1	21	1	210	0	0	3	10	
Total	1,127	2,361	139,340	9,132	828	1,309	2,437	39,009	957	831	16,423	21,673	

Notes: We determined Alaska residency by matching the Alaska Department of Revenue Permanent Fund Dividend applicant file with the Alaska Department of Labor and Workforce Development wage file, which has information on workers covered by unemployment insurance in Alaska. Workers in the wage file were considered Alaska residents if they applied for a 2017 or 2018 PFD. "Place of work" is as reported by employers on their quarterly unemployment insurance contribution reports. "Place of residence" is based on the address applicants provided on their PFD applications.

Locals the minority in North Slope, Bristol Bay, and Kenai

Areas with more people commuting in than local workers aren't the norm, but a few places are notable. (See Exhibit 2.) In the North Slope Borough, 70 percent of the Alaskans working there come from another borough or census area. This is due to the oil and gas industry, which attracts Alaskans from all over the state to its high-paying jobs on the Slope.

Most Alaskans who work on the North Slope come from Anchorage (25 percent), followed by Mat-Su (22 percent). Kenai and Fairbanks combined account for another 20 percent. In contrast, only 3 percent of North Slope Borough residents travel outside the borough for work, although few work in the local oil and gas industry.

Although many Slope workers are from Anchorage, they represent just a small portion of Anchorage's working

residents at 2.2 percent. Mat-Su and Kenai both send about 6 percent of their workers to the North Slope.

Workers from other places in Alaska also make up the majority of the Bristol Bay and Denali boroughs' resident workforces. Highly seasonal seafood processing and tourism, combined with small pools of local workers that can't meet demand, drive the need for nonlocal labor. These two areas also have the highest percentages of workers who come from outside the state.

Mat-Su residents most likely to leave borough for work

The Anchorage/Mat-Su commute is probably the closest thing to a traditional commute in Alaska. Nearly a third of Mat-Su residents drive to Anchorage each day (see Exhibit 3), about an hour-and-a-half round trip for most, to make higher wages in the city while benefitting from

Place of Work

	Ktn	Kodiak	Kusilvak	Lake and Pen	Mat-Su	Nome	North Slope	NW Arctic	Peter-sburg	POW-Hyder	Sitka	Skagwy	SE Fbks	Valdez-Cordova	Wrangell	Yakutat	Y-K	Total
1	3	1	0	1	0	2	0	1	1	0	0	0	4	1	0	0	822	
1	2	0	0	12	1	5	0	0	2	4	0	0	9	0	0	1	2,078	
93	195	102	87	2,133	205	2,976	326	14	32	75	15	78	433	7	19	132	133,954	
1	5	69	2	15	4	17	9	0	1	6	1	0	1	0	0	19	8,436	
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5	0	0	0	2	0	4	1	3	1	21	2	1	0	3	1	1	907	
76	11	4	4	29	4	34	7	14	17	58	18	8	15	11	9	5	16,145	
14	57	27	30	211	25	1,528	65	4	10	10	5	15	121	0	5	32	24,308	
6,025	2	1	1	27	123	13	6	8	65	14	4	1	11	10	0	0	6,578	
1	5,400	0	13	16	5	15	3	1	1	10	0	2	19	3	3	1	5,805	
0	3	3,110	2	4	10	6	3	0	0	1	0	3	2	0	1	16	3,784	
0	1	1	669	7	0	24	0	0	1	0	0	0	2	0	0	1	824	
198	65	65	42	24,315	90	2,568	195	5	8	13	12	61	224	2	3	78	42,960	
0	1	13	0	13	4,378	15	18	0	1	4	0	3	1	1	0	8	4,571	
0	2	5	1	0	7	3,412	13	0	0	1	0	0	0	0	0	1	3,522	
0	1	0	1	3	36	74	2,848	0	0	2	0	1	1	0	0	16	3,085	
13	3	0	0	2	1	3	0	1,120	4	8	2	0	6	23	1	0	1,254	
203	4	3	1	5	21	18	3	63	2,228	25	8	1	1	7	1	1	2,730	
12	2	3	0	9	3	9	5	11	2	3,695	2	0	4	4	1	2	3,941	
1	0	0	0	0	0	1	0	0	0	0	502	0	1	0	0	0	544	
4	1	2	0	94	3	51	4	1	2	0	1	1,821	14	0	0	22	2,488	
162	6	7	1	48	6	64	12	2	1	2	1	31	3,758	3	2	6	4,563	
23	1	1	1	6	2	11	6	6	11	8	1	0	6	749	0	0	895	
1	0	0	0	0	3	1	0	0	0	3	0	0	1	0	241	0	261	
1	2	17	3	14	2	70	5	0	0	0	0	36	7	0	0	2,338	2,826	
6,852	5,801	3,462	903	27,175	4,981	11,705	3,593	1,260	2,401	3,980	594	2,643	4,769	830	288	3,006	319,670	

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

lower living costs locally. Only 56 percent of Mat-Su workers work in Mat-Su, by far the lowest percentage in the state. The next lowest is 73 percent in the Southeast Fairbanks Census Area, where many workers commute to Fairbanks.

Rob Kreiger is an economist in Juneau. Reach him at (907) 465-6031 or rob.kreiger@alaska.gov.

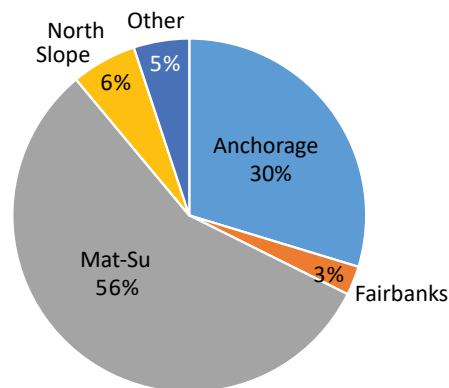
About the data

All workers in this article are Alaska residents. While nonresidents make up a significant and important percentage of Alaska's workforce, they are not part of this analysis.

We identified Alaska residents using a combination of wage records and Permanent Fund Dividend applications. If a worker earned wages and applied for a Permanent Fund Dividend in 2017 or 2018, we considered that person a resident for this analysis.

3 Where Mat-Su Residents Work

ALASKA, 2017



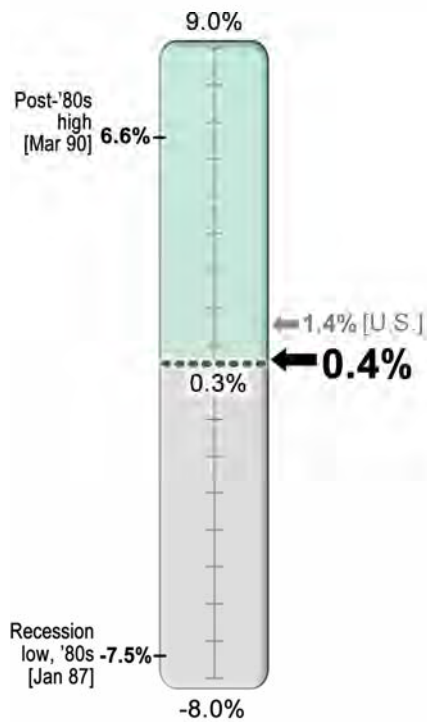
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Gauging Alaska's Economy



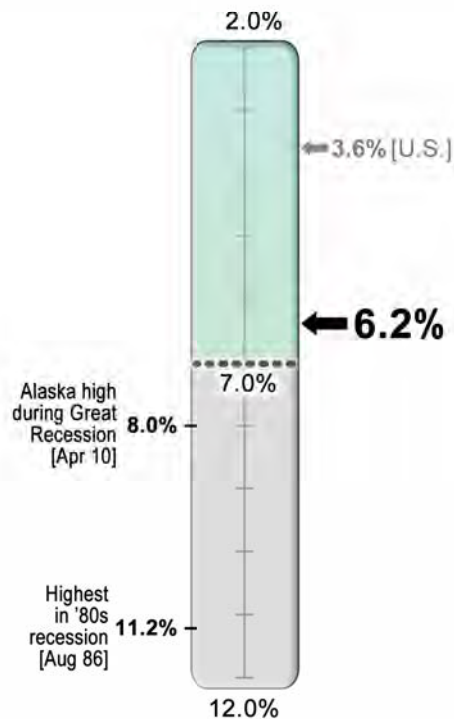
Job Growth

October 2019
Over-the-year percent change



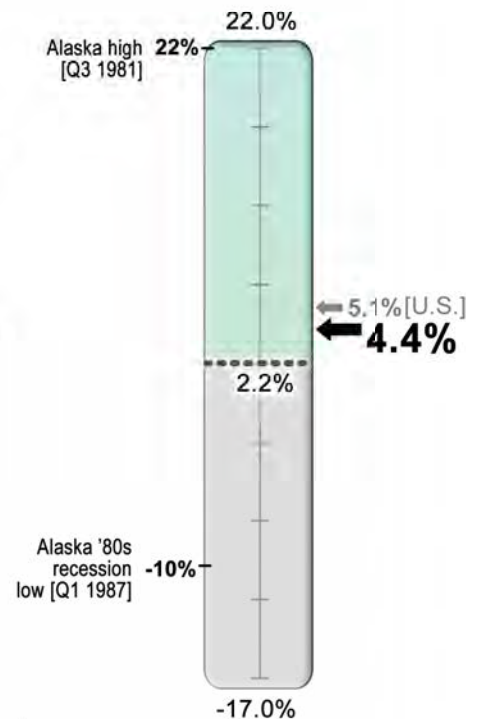
Unemployment Rate

October 2019
Seasonally adjusted



Wage Growth

2nd Quarter 2019
Over-the-year percent change

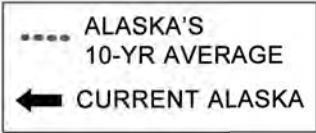


- The state has registered over-the-year job gains for 13 straight months after losing jobs for the prior three years.
- The gains are small so far, hovering around half a percentage point.
- U.S. job growth remains stable and has been positive since 2010, with the strongest growth in 2015.

- Until April, Alaska's seasonally adjusted rate had spent nearly a year at 6.5 percent.
- Unemployment rates are complicated economic measures and generally less telling at the state level than job or wage growth as indicators of broad economic health.

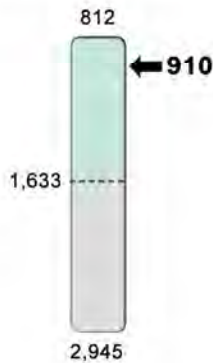
- Wages increased for the seventh straight quarter, and the strongest growth over that period was in 4th quarter 2018.
- Alaska's wage growth rate was slightly below the nation's, but both remained strong, growing at about the same rate from first to second quarter.

Gauging Alaska's Economy



Initial Claims

Unemployment, week ending Nov. 2, 2019†

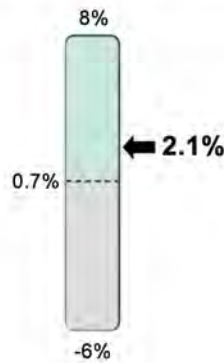


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

† Four-week moving average ending with the specified week

GDP Growth

2nd Quarter 2019
Over-the-year percent change*

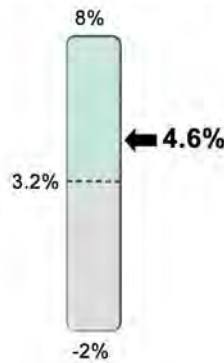


➤ Gross domestic product is the value of the goods and services a state produces. Alaska's GDP has grown for the last 11 quarters after declining for 15 out of the prior 16.

*In current dollars

Personal Income Growth

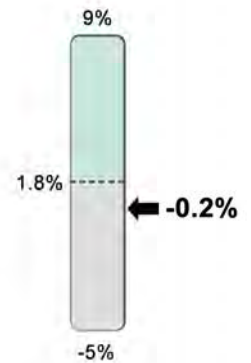
2nd Quarter 2019
Over-the-year percent change



➤ Personal income includes wages as well as transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. Growth has resumed and is above the 10-year average.

Change in Home Prices

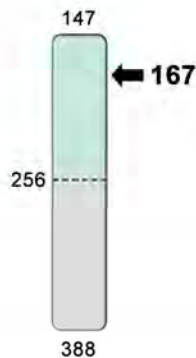
Single-family, 2nd Qtr 2019
Over-the-year percent change



➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

Foreclosures

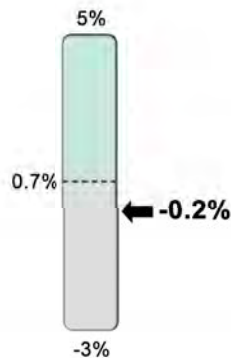
2nd Quarter 2019



➤ Foreclosure rates remain low, highlighting how different the state's recent recession was from the '80s recession when foreclosure rates exceeded 2,000 in some quarters.

Population Growth

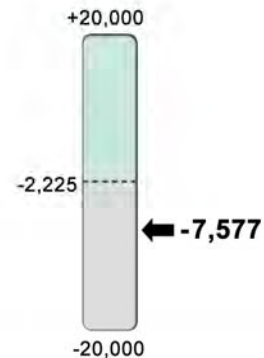
2017 to 2018



➤ The state's population has remained mostly stable during the state's recession, although 2018 was only the second year of population declines since 1988.

Net Migration

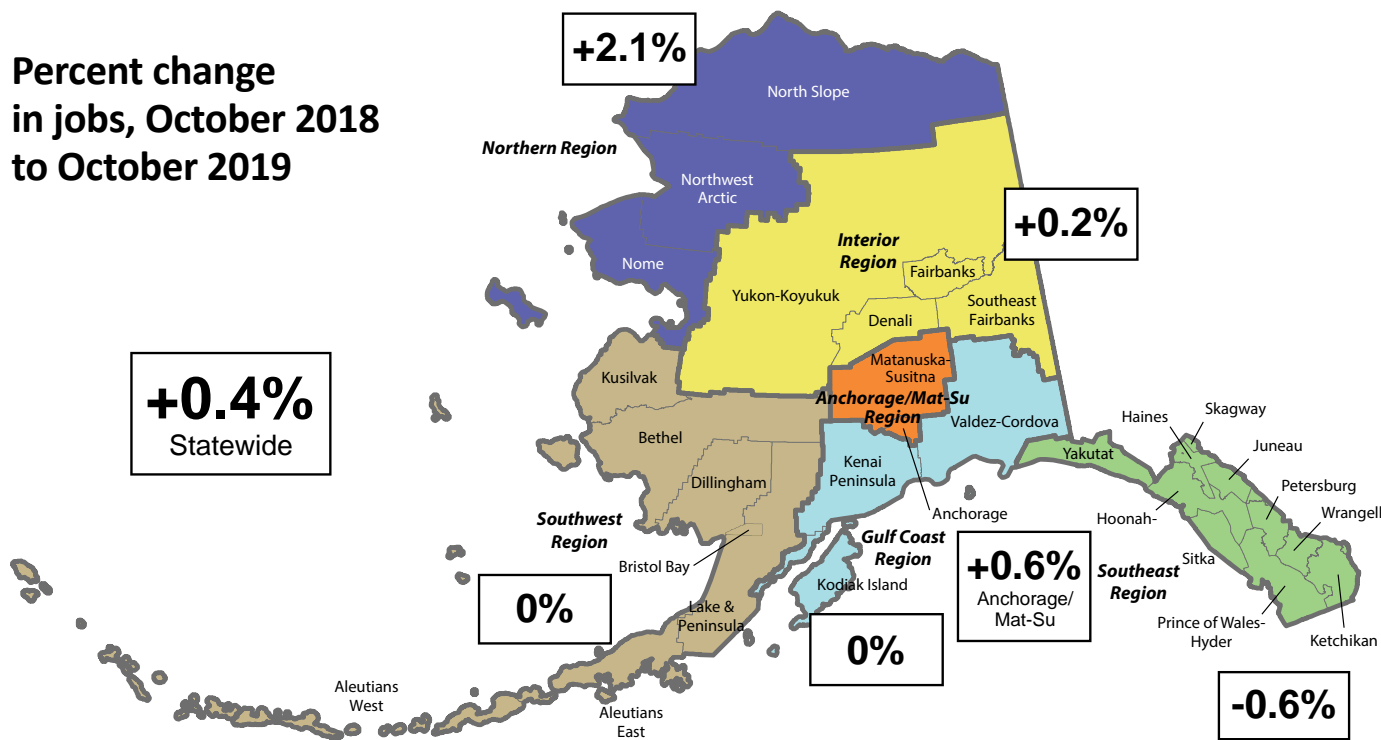
2017 to 2018



➤ The state had net migration losses for the sixth consecutive year in 2018. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, October 2018 to October 2019



Unemployment Rates

Seasonally adjusted

Not seasonally adjusted

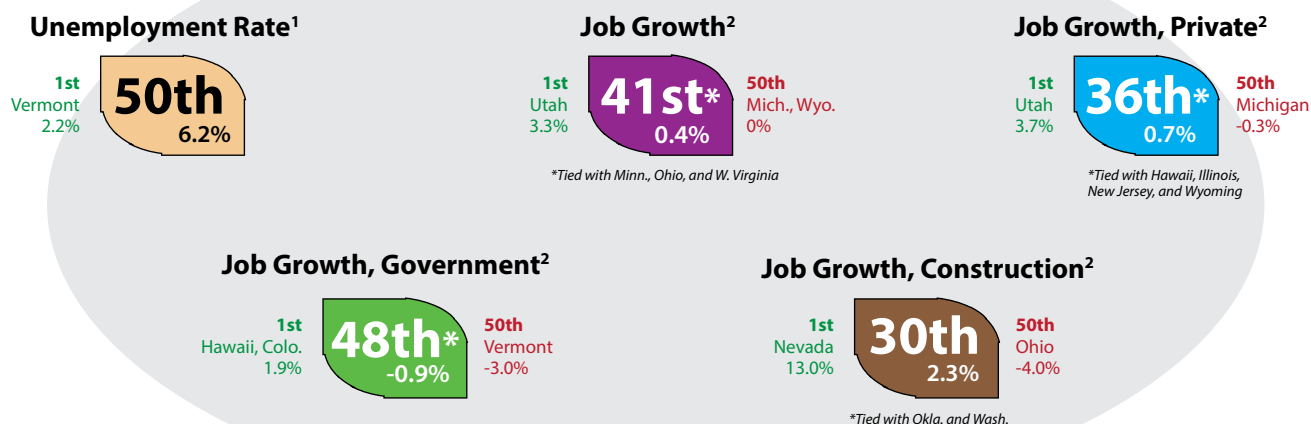
	Prelim.	Revised	
	10/19	09/19	10/18
United States	3.6	3.5	3.8
Alaska	6.2	6.2	6.5

	Prelim.	Revised	
	10/19	09/19	10/18
United States	3.3	3.3	3.5
Alaska	5.6	5.6	6.1

Regional, not seasonally adjusted

	Prelim.	Revised			Prelim.	Revised			Prelim.	Revised	
	10/19	09/19	10/18		10/19	09/19	10/18		10/19	09/19	10/18
Interior Region	5.4	5.3	5.8	Southwest Region	9.0	9.4	9.4	Southeast Region	5.5	4.8	5.7
Denali Borough	9.2	4.3	7.8	Aleutians East Borough	2.5	2.2	2.9	Haines Borough	8.3	5.3	8.3
Fairbanks N Star Borough	4.9	4.9	5.3	Aleutians West Census Area	4.3	3.1	4.6	Hoonah-Angoon Census Area	10.2	6.7	10.6
Southeast Fairbanks Census Area	7.7	7.1	8.4	Bethel Census Area	11.4	13.1	11.4	Juneau, City and Borough	4.2	4.0	4.5
Yukon-Koyukuk Census Area	11.3	11.7	12.5	Bristol Bay Borough	8.0	6.7	9.4	Ketchikan Gateway Borough	6.0	4.9	5.9
Northern Region	9.4	10.2	9.6	Dillingham Census Area	7.1	8.3	8.1	Petersburg Borough	8.9	7.4	8.0
Nome Census Area	8.8	10.0	10.0	Kusilvak Census Area	15.2	16.1	16.5	Prince of Wales-Hyder Census Area	8.5	8.1	9.9
North Slope Borough	7.2	7.6	6.8	Lake and Peninsula Borough	7.9	7.8	11.0	Sitka, City and Borough	4.4	3.7	4.3
Northwest Arctic Borough	12.8	13.6	12.5	Gulf Coast Region	6.2	5.7	6.8	Skagway, Municipality	6.9	3.3	9.9
Anchorage/Mat-Su Region	5.0	5.3	5.6	Kenai Peninsula Borough	6.2	5.9	7.2	Wrangell, City and Borough	7.1	6.1	6.3
Anchorage, Municipality	4.7	5.0	5.2	Kodiak Island Borough	4.5	4.4	4.8	Yakutat, City and Borough	8.0	6.6	6.4
Mat-Su Borough	6.1	6.3	6.7	Valdez-Cordova Census Area	8.3	5.9	7.7				

How Alaska Ranks



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹October seasonally adjusted unemployment rates

²October employment, over-the-year percent change

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

Other Economic Indicators

	Current		Year ago	Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	228.858	1st half 2019	223.099	+2.6%
Commodity prices				
Crude oil, Alaska North Slope,* per barrel	\$62.83	Oct 2019	\$80.03	-21.49%
Natural gas, residential, per thousand cubic feet	\$14.78	Aug 2019	\$13.05	+13.26%
Gold, per oz. COMEX	\$1,467.90	11/19/2019	\$1,225.30	+19.80%
Silver, per oz. COMEX	\$17.05	11/19/2019	\$14.40	+18.40%
Copper, per lb. COMEX	\$2.67	11/19/2019	\$2.81	-4.92%
Zinc, per MT	\$2,344.00	11/18/2019	\$2,600.00	-9.85%
Lead, per lb.	\$0.89	11/19/2019	\$0.91	-2.20%
Bankruptcies				
	105	Q3 2019	106	-0.94%
Business	12	Q3 2019	9	+33.33%
Personal	93	Q3 2019	97	-4.12%
Unemployment insurance claims				
Initial filings	6,078	Oct 2019	6,657	-8.70%
Continued filings	25,336	Oct 2019	27,428	-7.63%
Claimant count	6,728	Oct 2019	7,286	-7.66%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; Kitco; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

CONSTRUCTION

Continued from page 6

and commercial buildings.

Industry known for high wages and large seasonal swings

Few industries in Alaska pay more than construction. Its average annual wage was 43 percent higher than the overall statewide wage in 2018. (See Exhibit 9.)

Construction is one of the industries that pays premium wages in Alaska for jobs that don't require college degrees, although they often require extensive training and experience. The prevalence of overtime, paid at one-and-a-half times the base wage, is another important factor. Because of these high wages, the industry's impact on the state is larger than its job count suggests.

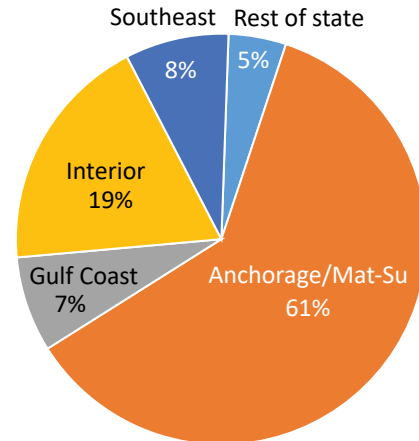
Construction is also one of the most seasonal industries, second only to tourism and fishing. Since 2000, in every year but two, its lowest employment month has been January and the peak has been August. In the two outlying years, the peak was July and the minimums were February or December. Between those months, construction's seasonal employment swing has been about 54 percent.

It's a far less seasonal industry nationwide. The U.S. construction seasonal swing in jobs was 13 percent last year.

8

Most Jobs Are in Anchorage

ALASKA CONSTRUCTION, 2018



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

Nonresident percentage drops

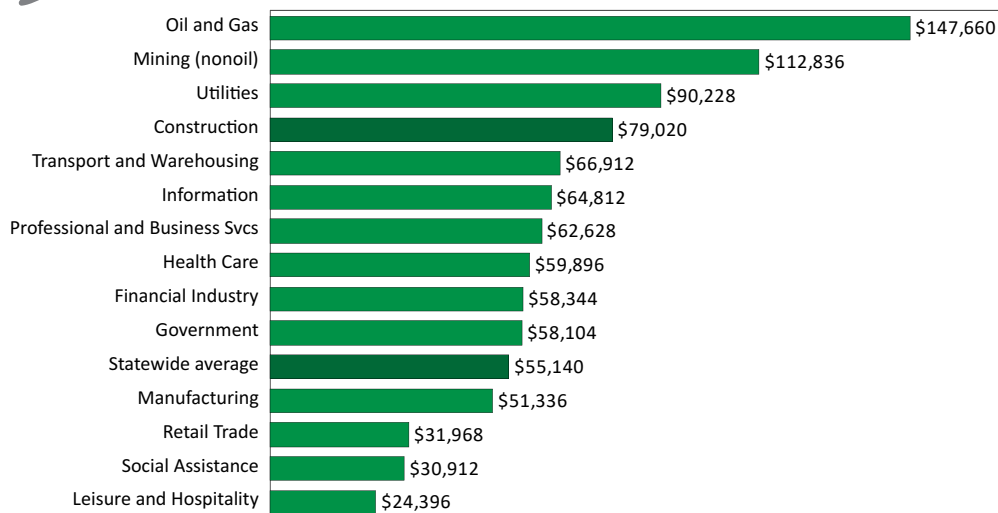
Construction's extreme seasonality in Alaska partly explains its large percentage of nonresidents. In 2017, the state's construction workforce was 18 percent nonresidents, who took in 14 percent of construction wages.

The percentage of construction workers who are nonresidents is usually higher than the overall percentage, but in 2016 and 2017, it fell below. (See Exhibit

9

Average Wage High in Construction

ALASKA INDUSTRIES, ANNUAL, 2018



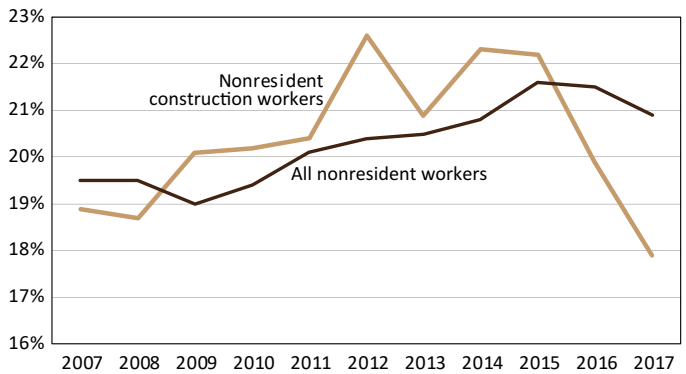
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

10.) That's only happened seven times since 1995. One likely explanation is construction jobs in Alaska became less appealing to nonresidents as the industry faltered here while growing robustly in other states.

10

Nonresident Percentage Has Fallen

ALASKA CONSTRUCTION INDUSTRY, 2007 TO 2017



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

Cost an ongoing issue

The high cost of construction in Alaska presents a major and continuous economic challenge. According to the Army Corps of Engineers, construction costs more than twice as much in Alaska (and Hawaii) for military and civil works projects. The state's remoteness, climate, large geographic size, and small economy are probably the biggest reasons.

Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

EMPLOYER RESOURCES

Rapid Response services help mitigate the effects of layoffs

Businesses large and small are facing the need to downsize or simply close their doors as Alaska copes with the after-effects of a three-year recession. The Department of Labor and Workforce Development wants Alaska employers and workers to know we can help you every step of the way. Our Rapid Response teams, located at our job centers throughout the state, find every available resource to keep businesses solvent, avert layoffs, and mitigate the uncertainty and impacts on your valued employees.

Rapid Response falls under the federal Workforce Innovation and Opportunity Act and provides a broad range of services to ensure successful transitions for employers and their employees. Rapid Response staff identify specific employer and employee needs, then work with businesses to develop strategies and identify resources. Rapid Response assists laid-off workers by quickly connecting them

to benefits and services including unemployment insurance, career counseling, and job search.

Layoffs don't affect just the employee and the employer; they create a domino effect by reducing the money spent on necessities such as food and clothing. The resulting decline in economic activity puts a damper on other local businesses and impacts entire communities.

The Rapid Response team encourages employers and employees facing these tough decisions to visit http://jobs.alaska.gov/RR/business_info.htm or contact us at dol.rrteam@alaska.gov to find out which benefits and services will work best for you and your workers.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.



ALASKA ECONOMIC
TRENDS
JANUARY 2020

2020
JOBS FORECAST

FROM THE COMMISSIONER

Onward to 2020: A continued commitment to culture

By **Dr. Tamika L. Ledbetter**, Commissioner

Each year brings new opportunities as well as challenges, and as I reflect on the last year, I am proud of the work we accomplished. Department of Labor and Workforce Development staff worked diligently to align with new leadership to improve our internal communication and cooperation, allowing us to better serve Alaskans.

Each division also focused on an important aspect of any organization — culture. An organization's culture is shaped by its members' values, behaviors, attitudes, assumptions, and practices.

Leaders who intend to make sweeping changes in their organizations must first address the current culture, then develop and communicate new expectations. In state government, this can be difficult due to the hierarchical way decisions are made, often with little input from the lower-level employees who perform much of the day-to-day work. Good leaders can inspire their teams by consistently modeling their own expectations, and if they also hold their managers to the same standards, their influence on a positive new culture can be enormous.

One way we focused on culture this year was sending all senior management to a customized Executive Leadership Training Intensive where we focused on vision, professional development, team-building, communication, and trust. This training intensive strengthened our commitment to workforce development, workplace safety, legal working conditions, income replacement for injured workers, and serving the most vulnerable through employment opportunities and more. Another more specific outcome was development of our department's core values: Respect, Excellence, Accountability, Competence, and Honesty: R.E.A.C.H.

To further show my commitment to trust and better communication, I sent a follow-up letter to express my appreciation for my management team's dedication, commitment, and amazing work. I wanted them



to know I understand the difficulties they face, balancing their own workloads while directing the work of others. I also wanted to show I was invested in them by creating an environment in which they could grow as leaders and more effectively serve those they lead.

As commissioner, this year I commit to:

- Communicating respect and honesty in all my interactions
- Demonstrating excellence in my work as the chief executive and lead representative of this department
- Promoting accountability by earning and keeping the public's respect and accepting responsibility for my decisions and actions
- Displaying competence by carrying out my duties with the highest level of knowledge, skills, and abilities

I sense our culture is changing for the better. I believe staff feel more valued and respected, and I hope they understand they are vital to the department's success. While we support local economies by promoting jobs, economic stability, and growth through job training and workforce development opportunities across the state, we are also building our internal workforce through improved training, mentorship, and opportunities for advancement.

In the public and private sectors alike, these are key ways to make employees feel valued and personally connected to the services they provide. If we do this as a department, we in turn serve the public more effectively.

Contact Dr. Tamika L. Ledbetter, Commissioner, at (907) 465-2700 or commissioner.labor@alaska.gov.



Follow the Alaska Department of Labor and Workforce Development on Twitter (twitter.com/alaskalabor) and Facebook (facebook.com/alaskalabor).

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A winter sunrise at the Douglas
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ALASKA ECONOMIC **TRENDS**

2020 JOBS FORECAST

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13 Fairbanks
15 Southeast

18 GAUGING THE ECONOMY

ALASKA

**DEPARTMENT of LABOR
and WORKFORCE
DEVELOPMENT**

Governor
Michael J. Dunleavy

Commissioner
Dr. Tamika L. Ledbetter

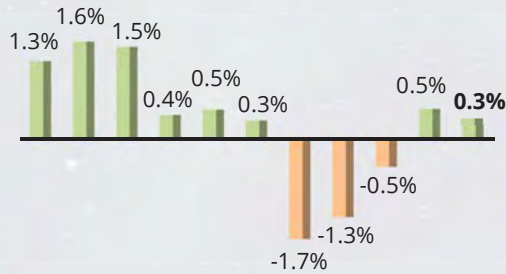
Trends is a nonpartisan, data-driven magazine
that covers a range of economic topics in Alaska.

ON THIS SPREAD: The background image for 2020 is the aurora borealis in the arctic in Alaska, taken by Noel Bauza.

If you have questions or comments, contact editor Sara Whitney at sara.whitney@alaska.gov or (907) 465-6561. This material is public information, and with appropriate credit it may be reproduced without permission. To sign up for a free electronic subscription, read past issues online, or purchase a print subscription, visit labor.alaska.gov/trends.

Statewide Forecast for 2020

Slight job growth likely this year



'10 '11 '12 '13 '14 '15 '16 '17 '18 '19 '20

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

By KARINNE WIEBOLD

Alaska added about 1,600 jobs in 2019 after losing more than 11,000 during the recession of the prior three years. We forecast that trend will continue this year, but at a slower rate of 0.3 percent, or about 1,100 new jobs.

While most industries' growth will be tepid, record anticipated numbers of cruise ship visitors and the first wave of new military personnel at Eielson Air Force Base in the interior will be bright spots in 2020.

Growth is the economic default

Without significant counterpressure, growth is the default economic setting. Absent a major shock, Alaska will keep adding jobs in 2020, but a few

Statewide outlook for jobs, by industry

	Monthly avg, 2018 ¹	Monthly avg, 2019 ¹	Change, 2018-19	Percent change	JOBS FORECAST		
					Monthly avg, 2020	Change, 2019-20	Percent change
TOTAL NONFARM EMPLOYMENT²	327,700	329,300	1,600	0.5%	330,400	1,100	0.3%
Total Private	247,200	249,300	2,100	0.8%	251,200	1,900	0.8%
Mining and Logging	12,700	13,100	400	3.1%	13,600	500	3.8%
Oil and Gas	9,400	9,700	300	3.2%	10,100	400	4.1%
Construction	15,800	16,500	700	4.4%	16,700	200	1.2%
Manufacturing	12,600	12,800	200	1.6%	12,900	100	0.8%
Transportation, Trade, and Utilities	64,400	64,500	100	0.2%	64,700	200	0.3%
Retail Trade	35,800	35,600	-200	-0.6%	35,500	-100	-0.3%
Wholesale Trade	6,400	6,500	100	1.6%	6,500	0	0%
Transportation, Warehousing, and Utilities	22,200	22,400	200	0.9%	22,700	300	1.3%
Information	5,600	5,400	-200	-3.6%	5,300	-100	-1.9%
Financial Activities	11,700	11,600	-100	-0.9%	11,400	-200	-1.7%
Professional and Business Services	27,300	27,600	300	1.1%	27,800	200	0.7%
Educational (private) and Health Services	50,400	50,800	400	0.8%	51,200	400	0.8%
Health Care	38,000	38,400	400	1.1%	38,800	400	1.0%
Leisure and Hospitality	35,600	36,000	400	1.1%	36,500	500	1.4%
Other Services	11,100	11,000	-100	-0.9%	11,100	100	0.9%
Total Government	80,500	80,100	-400	-0.5%	79,200	-900	-1.1%
Federal, except military	14,900	14,800	-100	-0.7%	15,000	200	1.4%
State, incl. University of Alaska	23,600	23,400	-200	-0.8%	22,700	-700	-3.0%
Local and tribal, incl. public schools	42,000	41,900	-100	-0.2%	41,500	-400	-1.0%

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

¹Preliminary and adjusted estimates. ²Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

conditions will keep recovery sluggish.

First, some of last year's job growth was due to temporary factors rather than true economic improvements. The biggest was the federal government injecting nearly half a billion dollars into the state to house two new squadrons of F-35 fighter planes at Eielson.

Second, Alaska's economic recovery continues to face headwinds. Ongoing population loss dampens job growth, and state government is still grappling with balancing spending and revenue.

While budget talks for fiscal year 2021 are in the early stages, the proposed budget would transfer more than \$1 billion from savings, even with the influx of nearly \$3 billion from investment earnings. This would leave Alaska with another year of dwindling savings accounts and unresolved choices about the size and role of state government, the size of the Permanent Fund Dividend, and how to pay for it all.

As we wrote early last year, all possible choices have pros and cons, and from an economic perspective, none will be cost-free. But until we make those decisions, our economy will be hampered by uncertainty. (See the February 2019 issue of *Trends*.)

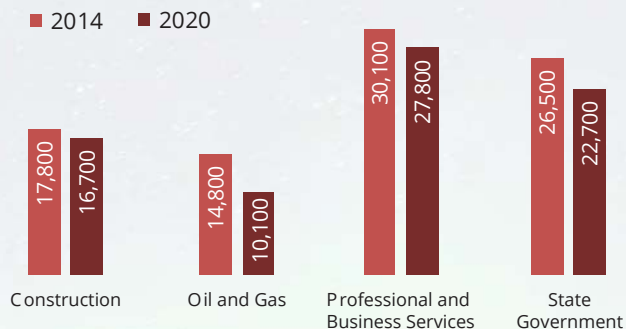
What will drive job growth in 2020

Tourism numbers keep reaching new heights, and 2020 is expected to break another record with an anticipated 6 percent jump in cruise ship passengers. According to McDowell Group, nearly half of Alaska's visitors arrive on cruise ships, 47 percent fly, and 4 percent come by land or ferry.

Alaska remains a powerful draw for visitors, and a strong national economy means more people have the disposable income necessary for a trip north. The number of foreign tourists in the winter, many of whom travel to the interior to view the northern lights, has also grown in recent years.

The military is another positive driver. Nearly 2,500 troops from Fort Wainwright in Fairbanks deployed to Iraq in September and will begin returning in May. The deployment depressed demand at local

Employment in key industries remains below 2014 levels



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

Without significant counterpressure, growth is the default economic setting. Alaska will likely add jobs in 2020, but a few conditions will keep recovery sluggish.

restaurants, bars, and stores, and returning soldiers will stimulate eating, drinking, and shopping activity.

Eielson Air Force Base will welcome the first installment of F-35 personnel and their families early this year, infusing the Fairbanks North Star Borough with new residents — a major boost for a borough that has lost

3,500 people since its population peaked in 2012 at slightly more than 100,000 people. (See the Fairbanks forecast on page 13.)

Oil and gas will add jobs in 2020, although the sale of BP's assets to Hilcorp will likely result in at least temporary job loss, as is customary when companies restructure. In late 2019, BP reported that about half of its nearly 1,600 Alaska employees had taken jobs with Hilcorp.

What will slow the economy in 2020

State government's financial situation remains the primary drag on Alaska's economy. Even after several years of deep budget cuts, Alaska still spends more than it brings in. Savings have bought the state time and mitigated cuts, but drawing from savings remains controversial and a short-term solution.

The state cut the University of Alaska's funding by \$25 million last year (state fiscal year 2020),

Statewide Forecast

resulting in rapid job losses. By fall, employment had fallen by 400 from the year before. Additional cuts are likely over the next few years.

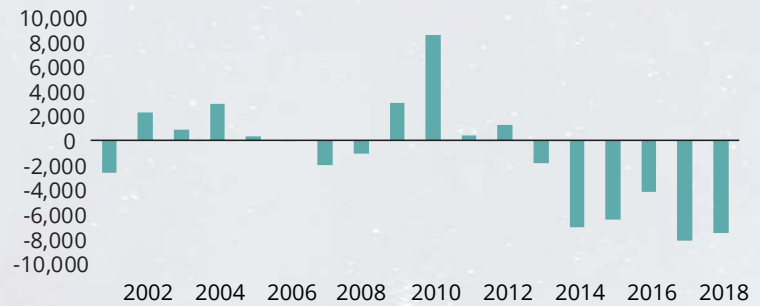
The Alaska Marine Highway System, a network of ferries serving southeast, southwest, and southcentral coastal towns, took a huge hit in 2019. Ferry service to a number of communities has been significantly reduced, and some places, such as Cordova, have lost winter service.

The effects on small, isolated communities will be far-reaching. Reduced ferry service may boost private transportation companies as communities such as Angoon look to charter boats and small aircraft to meet critical transportation needs, but the costs of living and working in these places will increase.

Finally, population loss remains an ongoing issue. After growing for nearly 30 years, Alaska's total population declined for a second year in a row in 2018 when natural increase (births minus deaths) was no longer able to offset net migration losses.

Alaska has the largest migration rates of any state — every year, between 35,000 and 50,000 people both to and from Alaska — but for the last six years, the state has lost more movers than it's gained. Fewer Alaskans means less demand for schools, stores, homes, and services.

More people have left Alaska than arrived for six straight years



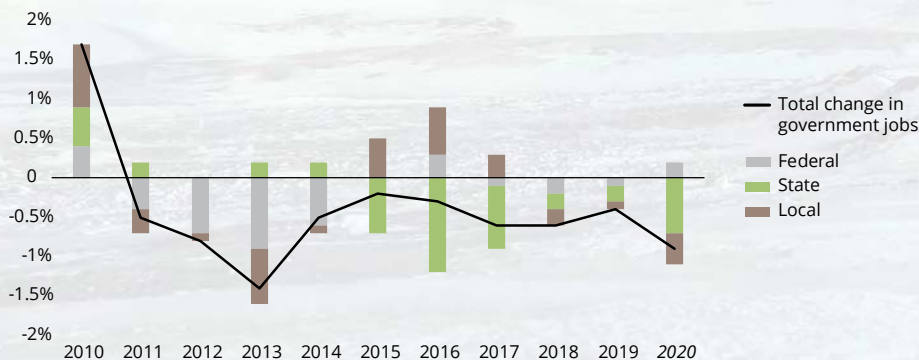
Note: Shows net migration, or in-migrants minus out-migrants.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

A look at forecasted growth and loss by private industry

Most of Alaska's industries are forecasted to grow in 2020, at least a little. Tourism will bolster a handful of related industries, from leisure and hospitality (which includes eating and drinking as well as accommodations) to retail, transportation, and the arts, entertainment, and recreation industry.

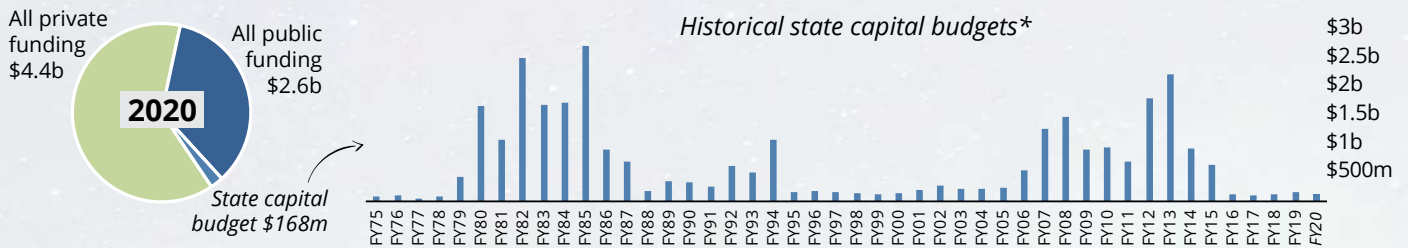
We forecast 100 additional jobs for mining over the next year as existing mines operate and expand. A number of new projects around the state are possible, but it's too soon to incorporate them into the 2020 job forecast. These include Pebble in the southwest, which continues to progress through regulatory requirements, and explorations in Haines, near the existing Red Dog Mine, and in the interior.

Government jobs continue decade-long decline



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

Capital budgets and share of total construction funding shrinking



*In 2019 dollars. Source: Department of Revenue 2019 spring revenue forecast

(See the metal mining article in the May 2019 issue of *Trends*.)

Despite a dip in oil prices (averaging \$65 per barrel in 2019 versus \$71 the year before), we expect the oil industry will continue growing, adding 400 jobs in 2020 after gaining 300 last year. The biggest variable is Hilcorp’s assumption of BP’s North Slope assets in early 2020, which will probably cause some job loss, mainly in Anchorage. (See the Anchorage forecast on page 10 for more.)

Health care, historically a major source of growth, is forecasted to add a modest 400 jobs in 2020. Hospitals and ambulatory health care continue to expand, but at a slower rate. Nursing homes and group homes, on the other hand, have been losing jobs for several years and the losses are accelerating.

Alaska’s population is aging faster than the nation’s, and with age comes additional health care needs. This will spur some growth in the industry, but recent cuts to Medicaid, with more looming, will mute health care growth.

Some of the industry’s recent job growth is a reclassification of existing jobs from local government to private health care through the City of Sitka’s recent sale of its community hospital to the Southeast Alaska Regional Health Consortium, or SEARHC.

Construction is forecasted to add 200 jobs in 2020, but there’s little activity on the horizon. New home construction has slowed in recent years, falling from 4,774 new units in 2004 to 1,659 in 2018. For a

while, there was talk of new housing demand from the Eielson expansion, but with high vacancy rates in the Fairbanks area and its population down, that talk has quieted.

The Army Corp of Engineers’ spending in Alaska will drop precipitously this year, from \$640 million in fiscal year 2019 to \$310 million: a 52 percent cut. State government’s FY 2020 capital budget was also down, reducing state spending on construction projects, although the governor has proposed a slightly higher capital budget for fiscal year 2021.

The impact of state capital spending on overall construction spending has varied greatly over the years, as the chart above shows. State investment in facilities and infrastructure topped \$2 billion as recently as 2013, but in 2019 it was a tiny fraction of public construction spending, dwarfed by federal contributions. (For more on the construction industry, see the December 2019 issue of *Trends*.)

After growing for nearly 30 years, Alaska’s population fell in recent years when natural increase could no longer offset net migration losses.

Professional and business services includes professional, scientific, and technical services (nearly half of its employment); management of companies and enterprises (10 percent); and administrative support and waste management (around 40 percent). This sector lost nearly 3,000 jobs during the recession, then resumed growing in 2019, adding 300 jobs. We forecast 200 additional jobs for 2020.

Transportation, warehousing, and utilities is forecasted to add 300 jobs in 2020, but a significant chunk of the gain will be through the sale of Anchorage’s Municipal Light and Power to Chugach Electric Association, which will simply move jobs

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from local government to the private utilities sector. Transportation will account for the additional growth, mostly through increased tourism, but reduced ferry service might also increase demand as coastal residents seek travel alternatives.

The retail, information, and financial activities industries will continue losing jobs in 2020. All three are subject to the cumulative effects of our recent state recession as well as national trends.

The internet continues to alter the employment landscape. Online retail is reducing local demand across the country, newspapers and radio stations are losing jobs as technology changes, and financial activities employment is falling as more services become accessible online.

Major losses on the horizon for state and local government

Government employment will decline considerably again in 2020. State government will take the biggest hit, shedding a forecasted 700 jobs over the year, but it could be more. We forecast a loss of 400 for local government, although that's a more complex story, as we will explain below. Federal government will add 200 jobs, mostly through temporary positions conducting the decennial census.

State government employment has fallen every year since 2015. From its high in 2014 through 2019, state government lost 3,100 jobs, as shown on page 6.

Big funding cuts to the university last year have already eliminated jobs, and those cuts are still fresh as the next round approaches. In addition, the marine highway system significantly cut its ferry workforce after a major budget hit last year.

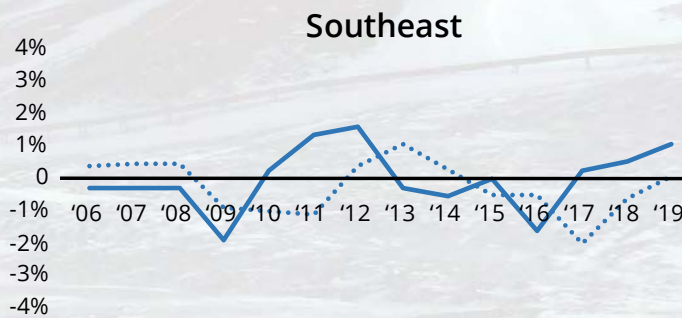
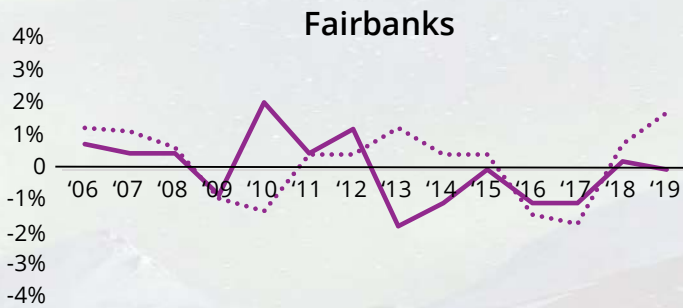
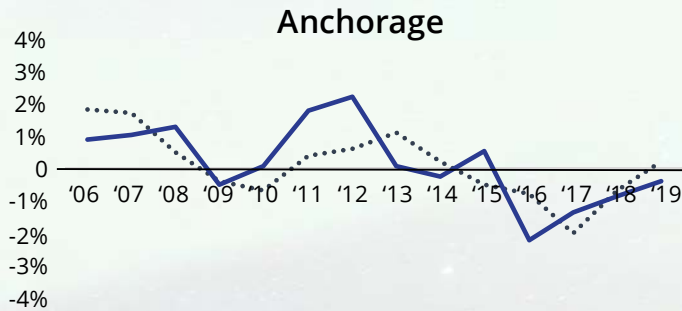
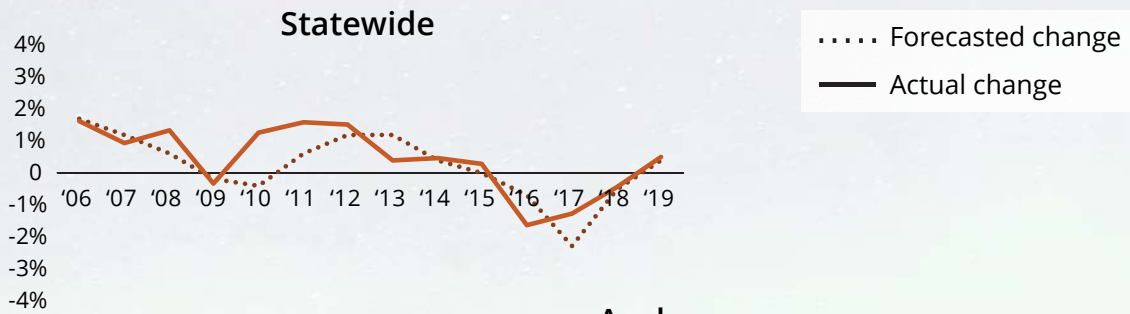
State government employment in the second half of 2020 is more uncertain, as the fiscal year 2021 budget remains far from final. The recently released governor's budget proposes essentially flat spending with high expectations for the Permanent Fund Dividend payout. The proposal hinges on drawing down three-quarters of the constitutional budget reserve, and opinions differ on whether the state should take that approach.

While local government will lose about 400 forecasted jobs, most of those will simply move to the private sector, as mentioned earlier, so they won't be a true loss. Local government employment continued to grow during the first two years of the recession, but started to drop in 2018. That trend will continue in 2020 with a forecasted loss of about 100 jobs after accounting for the private sales in Anchorage and Sitka.

Despite federal employment falling nearly every year for the last decade, we forecast a modest gain this year as temporary census workers canvas the state, starting in Toksook Bay on Jan. 21. While the census is modernizing and collecting more data online, in-person enumeration is necessary in Alaska's remote communities where internet access is limited and additional resources are required to get an accurate count.

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How our job forecasts have panned out in recent years



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

Anchorage Forecast for 2020

By NEAL FRIED

Although Alaska emerged from its longest recession to date in the last quarter of 2018, Anchorage's path to recovery has been slower. The recession lingered in the city, but with losses diminishing each year.

Anchorage's total job count didn't move a lot in 2019, and there's no reason to think the city's economic landscape will change much in 2020. We expect Anchorage's broad trends to continue, with total employment staying essentially flat.

Reasons Anchorage has been on and will stay on a slower path to recovery

The oil industry, retail, and cuts to the University of Alaska Anchorage are the main reasons Anchorage continued to struggle while the state began to recover. The city was hit with a series of store closures in 2019, and oil patch employment resumed growing in 2018, although the job gains have been concentrated on the North Slope.

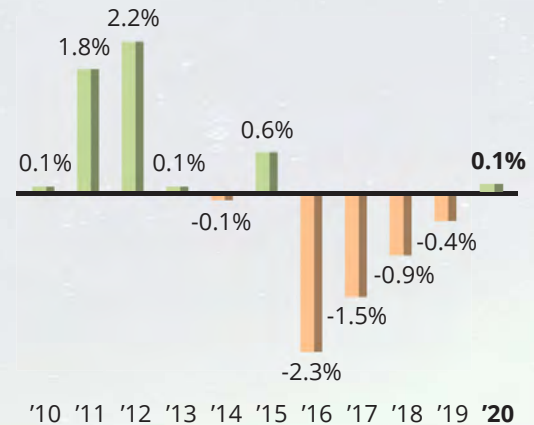
These factors will continue to play a role this year, and a few others further muddy Anchorage's forecast. One is the sale of BP to Hilcorp, and the other is the sale of Municipal Light and Power to Chugach Electric, both scheduled for the first half of 2020 and perhaps extending into the third quarter for Hilcorp. Together, these entities employ more than 2,000 people and, at least in the short term, these purchases are likely to cause some job loss.

Anchorage's long stretch of modest population loss, which we anticipate will continue in 2020, is another obstacle to growth. The city's population peaked at 301,034 in 2013 and then fell nearly every year, to 295,365 in 2018, the most recent year available. While the losses are small, they translate into less consumer demand and a softer real estate market.

The sale of BP to Hilcorp is especially relevant to Anchorage's outlook

Alaska's oil industry is positioned for another good year. ConocoPhillips, Oil Search, and other

Jobs essentially flat this year



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

producers have plans for a busy 2020, oil prices are up compared to 2015-2017, and employment continues to grow. As the industry's headquarters, Anchorage is likely to benefit. But there's one Anchorage-specific wrinkle: the sale of BP to Hilcorp.

The sale is anticipated to cause a net loss of jobs that's likely to hit the headquarters workforce harder than those in the field. We don't yet know the final numbers, but at the end of 2019, BP announced that about half of nearly 1,600 workers in Alaska had taken jobs with Hilcorp, and about 300 would likely remain with BP and leave the state.

A major construction project ends, but smaller ones are on horizon

Construction employment in Anchorage turned positive in 2018 and grew throughout 2019, although the gains got smaller as the year progressed. Given that trend and the currently known list of projects for 2020, construction's growth forecast is modest. This is also the fifth straight year of increasingly bare bones capital budgets. (See the statewide forecast.)

Office projects in Anchorage look scarce, and vacancy is still climbing for nearly all types of vertical construction, public and private. With the Midtown Mall's reconstruction complete, the horizon is

Outlook for jobs in Anchorage, by industry

	Monthly avg, 2018 ¹	Monthly avg, 2019 ¹	Change, 2018-19	Percent change	JOBS FORECAST		
					Monthly avg, 2020	Change, 2019-20	Percent change
TOTAL NONFARM EMPLOYMENT²	150,800	150,300	-500	-0.3%	150,500	200	0.1%
Total Private	123,200	123,000	-200	-0.2%	123,600	600	0.5%
Mining and Logging	2,600	2,700	100	3.8%	2,500	-200	-8.0%
Oil and Gas	2,500	2,600	100	4.0%	2,400	-200	-8.3%
Construction	7,500	7,700	200	2.7%	7,900	200	2.5%
Manufacturing	2,000	2,100	100	5.0%	2,100	0	0%
Transportation, Trade, and Utilities	33,100	32,700	-400	-1.2%	32,500	-200	-0.6%
Wholesale Trade	4,800	4,900	100	2.1%	5,000	100	2.0%
Retail Trade	17,000	16,600	-400	-2.4%	16,200	-400	-2.5%
Transportation, Warehousing, and Utilities	11,300	11,200	-100	-0.9%	11,300	100	0.9%
Information	3,400	3,200	-200	-5.9%	3,100	-100	-3.2%
Financial Activities	7,300	7,200	-100	-1.4%	7,200	0	0%
Professional and Business Services	17,500	17,600	100	0.6%	17,900	300	1.7%
Educational (private) and Health Services	26,700	26,800	100	0.4%	27,100	300	1.1%
Health Care	20,900	20,800	-100	-0.5%	21,000	200	1.0%
Leisure and Hospitality	17,400	17,600	200	1.1%	17,900	300	1.7%
Other Services	5,600	5,400	-200	-3.6%	5,400	0	0%
Total Government	27,600	27,300	-300	-1.1%	26,900	-400	-1.5%
Federal, except military	8,300	8,300	0	0%	8,500	200	2.4%
State, incl. University of Alaska	9,900	9,800	-100	-1.0%	9,500	-300	-3.2%
Local and tribal, incl. public schools	9,400	9,200	-200	-2.1%	8,900	-300	-3.4%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
¹Preliminary and adjusted estimates. ²Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

devoid of large new retail projects. However, construction of a new Courtyard Hotel is scheduled to begin in 2020 after the initial, partially built project was destroyed in a fire, and a handful of significant air cargo projects are planned at the airport.

The story is similar for new residential housing, with permits at a near-record low over the first 11 months of 2019 and a repeat likely this year. New permits stood at 316 through November 2019 compared to 398 for the same period in 2018.

Highway construction, which is largely federally funded, continues to look positive. During the past two years, many Anchorage contractors were involved in preparations to house new F-35s at Eielson Air Force Base near Fairbanks, but this construction is winding down.

Anchorage School District's proposed \$83 million bond proposal, if approved by voters in April, could be a boost this year because much of that money would go to earthquake and other repair work.

Retail will continue to shrink, but there are a few bright spots

Retail has lost jobs in Anchorage every year since

2015, when it peaked at 18,100. The forecasted 2.5 percent loss would put Anchorage's retail employment near its 1998 level.

The recession took its toll, but the "Amazon effect" is doing even more damage. Even at the national level, with the economy booming, retail is losing ground as e-commerce continues to make inroads, which it will do for years to come.

The biggest loss in 2019 was the September closure of Nordstrom, which employed about 200 people. In early 2020, both Pier 1 Import stores will close. On a positive note, Carrs-Safeway opened a new store in November 2019 in the Midtown Mall and hired nearly 130 people.

Professional services stabilize with a better oil, construction outlook

The multi-year slowdown in construction, oil, and mining exploration took a big bite out of the professional services in Anchorage that support these industries. Architectural, engineering, environmental and other consulting services are a major part of the professional and business services sector, and they've sustained three years of major losses.

Anchorage Forecast

Employment finally stabilized in 2019, and we forecast it will grow modestly in 2020, due primarily to the positive outlook for construction and oil.

Visitor seasons continue to break records

The number of visitors to Alaska has grown for five years straight. With the strong national economy, the cruise industry predicts a 6 percent increase in passengers to Alaska in 2020. Convention traffic also looks positive, as the Alaska Federation of Natives' annual conference will be back in Anchorage this year and next year. This is good news for a number of industries, including leisure and hospitality, which hit record employment in Anchorage in 2019.

Restaurants and bars represent two-thirds of this industry's jobs, accommodations — mostly hotels — are another fifth, and the balance is in entertainment. Locals and tourists both drive demand, with local consumption the larger stimulus.

Accommodations employment has grown over the past two years and is forecasted to continue expanding in 2020, based on strong visitor seasons and more business-related travel. Two new hotels opened in 2019 and another is likely to open in late 2020 or early 2021.

The picture is slightly more muted for restaurants and bars, which generate nearly 12,000 jobs. Employment peaked in 2016, then dropped slightly in 2017 as consumers tightened their spending, but stabilized in 2018 and grew modestly in 2019.

We forecast modest growth again in 2020. This industry is competitive and constantly in flux, with eateries regularly leaving and entering the scene. For example, Anchorage's longstanding venerable eateries Romano's and Villa Nova closed their doors in 2019 but Mat-Su Brewing Company, Raising Cane, Tent City Taphouse, and several others have recently opened or plan to open this year.

Little change in the financial sector

Anchorage's financial sector looks solid this year. It

includes real estate and related businesses, banks and credit unions, insurance companies, property management, and brokerage houses.

While home sales were down slightly through September 2019 (2,797 compared to 2,854 in 2018), home prices are stable, interest rates and foreclosures remain low, and the market looks about the same as the year before, on an average day.

Health care flat, not likely to remain the boon it's been for many years

Health care is Anchorage's largest private sector employer, and more than half the state's health care jobs are in the city. Health care generated the largest number of new jobs each year for a long time — until 2019.

Employment dipped slightly overall last year, with small increases in hospitals and ambulatory care such as doctors' and dentists' offices, but nursing and residential care jobs declined enough to stall the industry's growth.

Alaska's oil industry is positioned for another good year, but there's one Anchorage-specific wrinkle: the sale of BP to Hilcorp.

The reasons aren't clear. It could be a temporary trend, but population loss is one possibility and saturation is another. Health care is a larger slice of Anchorage's economy than the nation's, so the supply of services might have caught up with demand. On the downside, that would mean the city could no longer rely on health care as a strong source of new jobs in the coming years.

Transportation industry's pattern likely to mimic that of the economy

Because so many businesses depend on transportation, the overall health of the economy is the best predictor of this industry's future. The forecast calls for little change in the overall economy, and transportation looks similar. Its employment dipped modestly in 2019, with air passenger traffic up some and international air cargo down.

Another strong visitor season bodes well for air passenger traffic. A number of Anchorage passenger carriers will add flights this summer, and Eurowings

Continued on page 22

Fairbanks Forecast for 2020

By SARA TEEL

The Fairbanks North Star Borough began adding jobs again in 2018 after five years of mostly losses. Employment was flat in 2019, and we forecast growth will resume in 2020. The expected gain is modest at 300 jobs, or 0.8 percent, with government declines depressing the borough's overall job growth.

Most industries held steady in 2019 as Alaska began to pull out of the recession, and several made small gains. Most of the growth was in industries tied to the military, oil and gas projects, or the busy fire-fighting season.

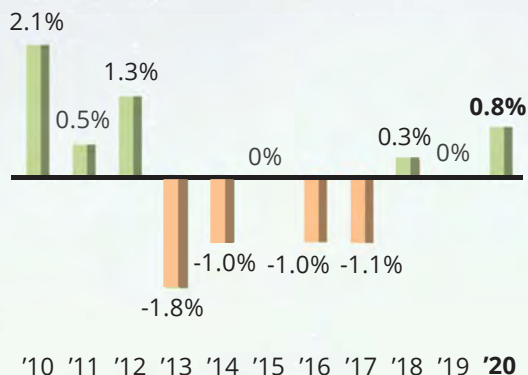
Counter to expectations, noticeable construction growth from preparations to house two squadrons of F-35 Lightning II fighter jets at Eielson Air Force Base did not materialize for Fairbanks, as companies from outside the borough held many of those contracts. However, the Fairbanks economy benefited in other ways from the increased activity, and that will continue in 2020.

Resumed population growth is one of those benefits, as the F-35s' arrival and Fort Wainwright troop returns from deployment will increase the borough's population in the coming years.

Population growth set to resume with F-35 arrival, troop returns

Coinciding with its years of job losses, the borough has lost population in every year but one since 2013,

Modest job growth this year



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

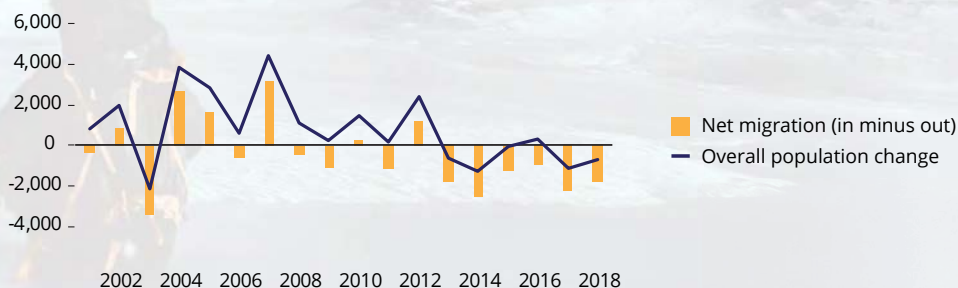
a trend that's likely to change over the next few years. New F-35 personnel and their families will begin to arrive in April, and Eielson expects more than 1,300 additional active duty personnel by 2022. This will also bring in more federal civilian employees, technical consultants, and their families.

The nearly 2,500 Fort Wainwright soldiers deployed to Iraq last summer and early fall will also begin to return in May or June.

Tourism, military growth will bolster several industries

Retail is forecasted to increase by 100 jobs, or 2.1 percent, in 2020. Leisure and hospitality is also expected to gain 100 jobs, or 2.2 percent. Local

More people have been leaving the borough than moving in



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

Outlook for jobs in the Fairbanks area, by industry

	Monthly avg, 2018 ¹	Monthly avg, 2019 ¹	Change, 2018-19	Percent change	JOBS FORECAST		
					Monthly avg, 2020	Change, 2019-20	Percent change
TOTAL NONFARM EMPLOYMENT²	37,700	37,700	0	0%	38,000	300	0.8%
Total Private	27,200	27,100	-100	-0.4%	27,600	500	1.8%
Mining and Logging (includes oil)	800	800	0	0%	800	0	0%
Construction	2,800	2,700	-100	-3.6%	2,700	0	0%
Manufacturing	600	600	0	0%	600	0	0%
Transportation, Trade, and Utilities	7,700	7,700	0	0%	7,800	100	1.3%
Wholesale Trade	600	600	0	0%	600	0	0%
Retail Trade	4,700	4,700	0	0%	4,800	100	2.1%
Transportation, Warehousing, and Utilities	2,400	2,400	0	0%	2,400	0	0%
Information	400	400	0	0%	400	0	0%
Financial Activities	1,300	1,300	0	0%	1,300	0	0%
Professional and Business Services	2,600	2,700	100	3.8%	2,800	100	3.6%
Educational (private) and Health Services	5,600	5,600	0	0%	5,600	0	0%
Health Care	4,200	4,200	0	0%	4,300	100	2.3%
Leisure and Hospitality	4,500	4,500	0	0%	4,600	100	2.2%
Other Services	1,000	1,000	0	0%	1,000	0	0%
Total Government	10,500	10,600	100	1.0%	10,400	-200	-1.9%
Federal, except military	3,000	3,100	100	3.3%	3,200	100	3.1%
State, incl. University of Alaska	4,600	4,600	0	0%	4,300	-300	-7.0%
Local and tribal, incl. public schools	2,900	2,900	0	0%	2,900	0	0%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section
¹Preliminary and adjusted estimates. ²Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

consumption will increase as the population grows, and tourism in Fairbanks has been strong. Bed tax receipts in the borough have increased every year since 2015 and have jumped 21 percent since 2009.

The biggest drivers will be the F-35s and the soldiers' return from Iraq. In addition to direct job growth, this population increase will boost local businesses such as stores, restaurants, and bars.

Oil and mining grow modestly, boost professional services

Oil and gas activity on the North Slope has increased moderately since mid-2018, and at least one major project is scheduled to come online by 2021: ConocoPhillips' Greater Moose's Tooth 2.

The mining industry is also exploring in neighboring regions, spending 16 percent more on exploration from 2017 to 2018. We expect this trend to continue in 2020.

Fairbanks' 65-plus age group has grown significantly each year



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

The professional and business services industry can be a harbinger of upcoming economic activity because it encompasses the technical consultants, legal services, and business support necessary for such projects.

The industry has grown over the last several years,

Continued on page 22

Southeast Forecast for 2020

By SARA TEEL

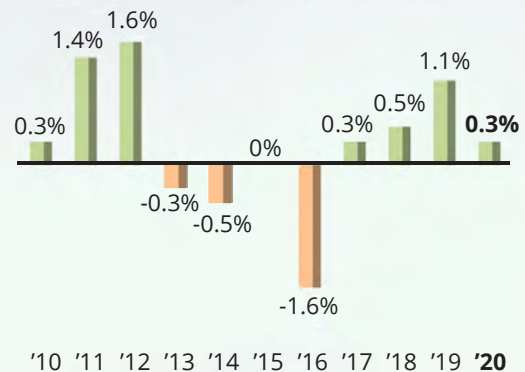
Southeast began to lose jobs in 2013, more than two years before the statewide recession began, then resumed growing marginally in 2017.

While the region's employment increased 1.1 percent in 2019, 2020's forecasted growth is a scant 0.3 percent, or about 100 jobs. This year brings additional obstacles to Southeast, including further cuts to state government and reduced ferry service.

Most of last year's job growth came from another record-breaking tourist season. Transportation grew the most, with the bulk of its gains in scenic and sightseeing transportation. Two other industries added about 100 jobs each: mining and logging, and private educational and health services.

For 2020, most of the forecasted growth is in retail, transportation, and health care.

Job growth to slow this year



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

Ferry reductions a major blow for region

Ferry reductions began in 2019, and while the ferry's workforce has already been cut, its impact will

Outlook for jobs in Southeast, by industry

	Monthly avg, 2018 ¹	Monthly avg, 2019 ¹	Change, 2018-19	Percent change	JOBS FORECAST		
					Monthly avg, 2020	Change, 2019-20	Percent change
TOTAL NONFARM EMPLOYMENT²	36,700	37,100	400	1.1%	37,200	100	0.3%
Total Private	24,100	24,600	500	2.1%	24,900	300	1.2%
Mining and Logging	1,000	1,100	100	10.0%	1,100	0	0%
Construction	1,300	1,300	0	0%	1,300	0	0%
Manufacturing	1,800	1,800	0	0%	1,700	-100	-5.9%
Transportation, Trade, and Utilities	7,300	7,500	200	2.7%	7,700	200	2.6%
Retail Trade	4,200	4,200	0	0%	4,300	100	2.3%
Information	500	500	0	0%	500	0	0%
Financial Activities	1,100	1,100	0	0%	1,100	0	0%
Professional and Business Services	1,600	1,600	0	0%	1,600	0	0%
Educational (private) and Health Services	4,100	4,200	100	2.4%	4,400	200	4.5%
Leisure and Hospitality	4,300	4,300	0	0%	4,300	0	0%
Other Services	1,200	1,200	0	0%	1,200	0	0%
Total Government	12,600	12,500	-100	-0.8%	12,300	-200	-1.6%
Federal, except military	1,500	1,500	0	0%	1,500	0	0%
State, incl. University of Alaska	4,800	4,800	0	0%	4,700	-100	-2.1%
Local and tribal, incl. public schools	6,300	6,200	-100	-1.6%	6,100	-100	-1.6%

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

¹Preliminary and adjusted estimates. ²Excludes the self-employed, uniformed military, most commercial fishermen, domestic workers, and unpaid family workers.

Southeast Forecast

continue to ripple through the region's economy.

Some places have been hit especially hard, such as Cordova, which lost winter service. But limited ferry service will raise costs for most communities, impacting a range of local industries as they have a harder time getting supplies and finding or keeping staff.

Difficulty accessing services such as health care or veterinary care will become more common, which will affect more than just the residents and their own towns. Travel cutbacks will spread to other places in Alaska where remote coastal residents would typically go for services.

The change will likely increase jobs somewhat in other industries, however, as demand grows for air and water transportation alternatives.

Population loss and an older population are continuing factors

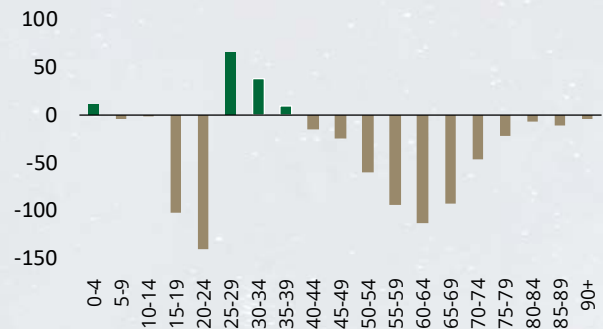
Southeast's migration losses date back to 2013. From 2013 to 2018, the region's net migration — in-movers minus out-movers — was negative for almost all age groups. As the chart above shows, the 25-to-39 group was the biggest exception.

Southeast has been the state's oldest region for decades, and both trends have long-term consequences for the job market. As baby boomers continue to retire and people leave the state, fewer Southeast residents will be available to fill vacated jobs.

Fisheries appear to be in for a rough year

Volatility is a constant for Alaska fisheries, and some fisheries face unfavorable conditions in 2020. The forecast for the 2020 pink salmon run in Southeast is weak, the International Pacific Halibut Commission predicts three years of low halibut catches, and for the first time, the federal cod fisheries in the Gulf of Alaska will be closed due to collapsed stocks. Counter to the loss of cod stocks, however, there have been abnormally large numbers of juvenile sablefish, which is promising for future Southeast fisheries.

From 2013 to 2018, Southeast lost people in most age groups



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

While fishermen are not included in these employment estimates because they're usually self-employed, fluctuations in fisheries create a domino effect in associated industries such as seafood processing and those tied to consumer spending.

Manufacturing will take a hit from fisheries woes, ferry reductions

The lion's share of manufacturing in Southeast is seafood processing. Employment peaked in 2015 and has declined since, as shown in the graph on the next page, exacerbated by an administrative reporting change in 2016.

Shipyards jobs have also fallen. The Ketchikan shipyard depends on contract work with the Alaska Marine Highway system, and ferry cuts will take a continuing toll, leading to a forecasted 5.9 percent loss of about 100 manufacturing jobs this year.

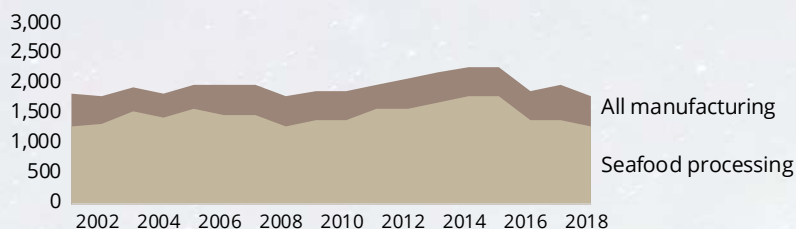
Tourism is at the heart of many Southeast communities. Reliably strong visitor seasons helped keep the region afloat during the recent state recession.

Tourism set to break another record, and Hoonah jumps in with both feet

Tourism is at the heart of many Southeast communities. The revenue it generates creates jobs and feeds other industries, and reliably strong tourism seasons helped keep Southeast afloat during the recent state recession.

The number of cruise ship passengers has hit a

Southeast seafood processing jobs drop



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

record in each of the last four years, and 2020's number is forecasted at 6 percent above 2019. Ten additional ships are scheduled to visit Alaska in 2020, with 29 added port calls.

The most popular destinations are Juneau, Ketchikan, and Skagway, but Hoonah is significantly expanding and expects its number of passengers to double over the next two years. Hoonah will have built a second dock by this summer for megaships, complete with a gondola system designed to transport 5,600 people per hour.

With a booming tourist season in the works, a number of related industries are forecasted to grow. We expect the transportation, trade, and utilities sector to add 200 jobs, or 2.6 percent. Jobs associated with buses, trams, fishing or whale watching excursions, and helicopters will drive transportation job growth. Retail's growth forecast is 2.3 percent, or 100 jobs.

Budget cuts remain an Achilles heel due to high share of jobs in government

Government has played a vital role in Southeast's economy for decades, and not just because Juneau is the state capital. Government also provides an outsized percentage of jobs in smaller Southeast communities.

In 2019, 34 percent of Southeast's jobs were in the public sector. That percentage is forecasted to drop to 33 in 2020 — a loss of 200 jobs, or about 1.6 percent — mainly due to ongoing state budget struggles.

While federal jobs are expected to remain flat, local and state government jobs are forecasted to decline by 100 each: a 1.6 percent loss for local and a 2.1 percent decline for state.

Multiple state departments face cuts again this year. State government employment includes the University of Alaska Southeast, which faces another budget cut, although it won't materialize until the coming school year. The tentative \$3.6 million reduction would affect the main campus in Juneau plus UA satellite campuses across the state.

Local government's decline is tied to health care, although it's mainly a reclassification from government to the private sector. In mid-2019, Sitka Community Hospital merged with SEARHC, the Southeast Alaska Regional Health Consortium. As a result, the educational and health services sector, which is mainly health care, will gain about 100 merger-related jobs plus 100 forecasted jobs, for total growth of 4.5 percent.

Sara Teel is an economist in Juneau. Reach her at (907) 465-6027 or sara.teel@alaska.gov.

Reconciling Southeast's job growth with the losses we've published in recent years

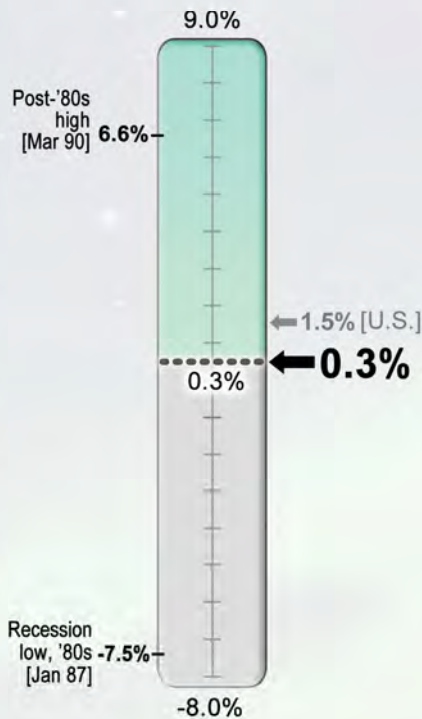
Readers of *Trends* and our monthly jobs/unemployment rate press releases may wonder why this issue shows several years of modest job growth for Southeast when we've been publishing small but fairly consistent losses over the last few years. The initial numbers are estimates based on a survey of a small sample of the region's employers. Later, when more complete information becomes available through reports that nearly all employers are required to file under state unemployment insurance laws, we revise the estimates and publish data closer to an actual count. The data become more reliable with time, and the modest growth shown here reflects our best and most current data on Southeast's performance. In this case, the revisions have been small — but just a few tenths of a percentage point can change the picture from loss to growth.

Gauging The Economy



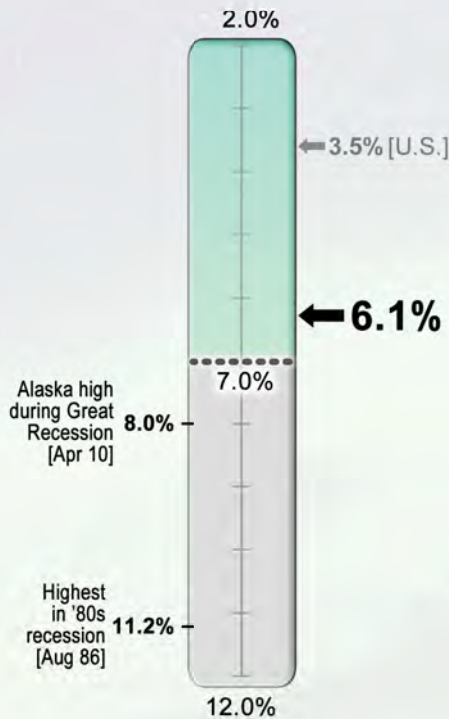
Job Growth

November 2019
Over-the-year percent change



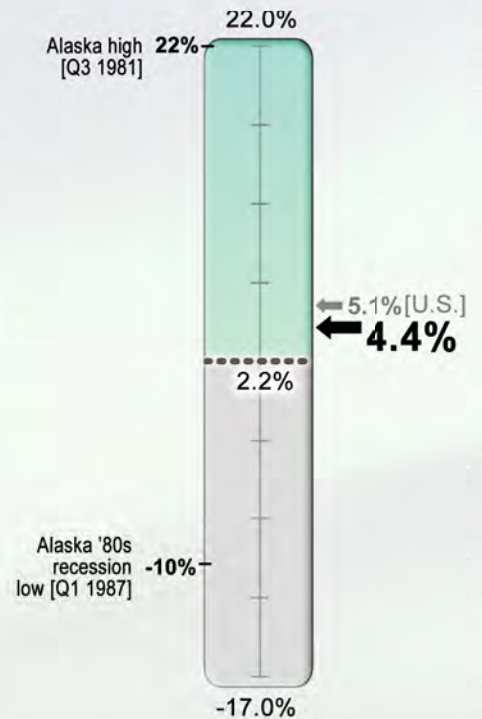
Unemployment Rate

November 2019
Seasonally adjusted



Wage Growth

2nd Quarter 2019
Over-the-year percent change

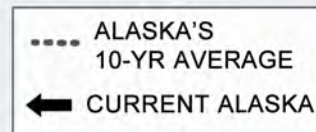


- The state has registered over-the-year job gains for 14 straight months after losing jobs for the prior three years.
- The gains are small so far, hovering around half a percentage point.
- U.S. job growth remains stable and has been positive since 2010, with the strongest growth in 2015.

- Until April, Alaska's seasonally adjusted rate had spent nearly a year at 6.5 percent.
- Unemployment rates are complicated economic measures and generally less telling than job or wage growth as indicators of broad economic health.

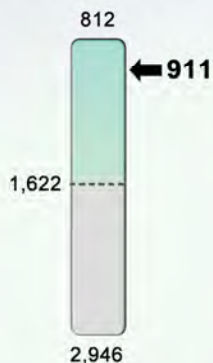
- Wages increased for the seventh straight quarter, and the strongest growth over that period was in 4th quarter 2018.
- Alaska's wage growth rate was slightly below the nation's, but both remained strong, growing at about the same rate from first to second quarter.

Gauging The Economy



Initial Claims

Unemployment, week ending Dec. 14, 2019**

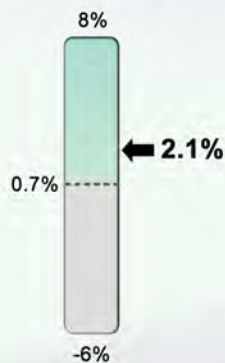


➤ For a variety of reasons, initial claims are well below the 10-year average.

**Four-week moving average ending with the specified week

GDP Growth

2nd Quarter 2019
Over-the-year percent change*

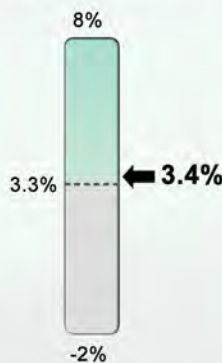


➤ Gross domestic product is the value of the goods and services a state produces. Alaska's GDP has grown for the last 11 quarters after declining for 15 out of the prior 16.

*In current dollars

Personal Income Growth

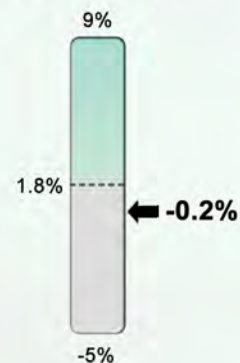
3rd Quarter 2019
Over-the-year percent change



➤ Personal income includes wages as well as transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. After five quarters well above the 10-year average, growth has slowed to average.

Change in Home Prices

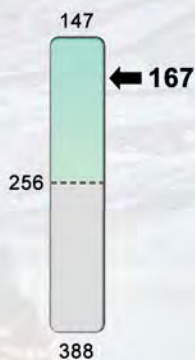
Single-family, 2nd Qtr 2019
Over-the-year percent change



➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

Foreclosures

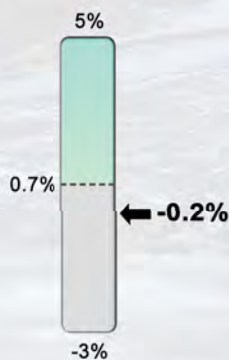
2nd Quarter 2019



➤ Foreclosure rates remain low, highlighting how different the state's recent recession was from the '80s recession when foreclosure rates exceeded 2,000 in some quarters.

Population Growth

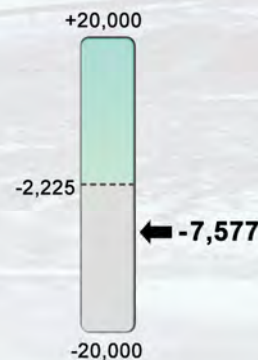
2017 to 2018



➤ The state's population has remained mostly stable during the state's recession, although 2018 was only the second year of population declines since 1988.

Net Migration

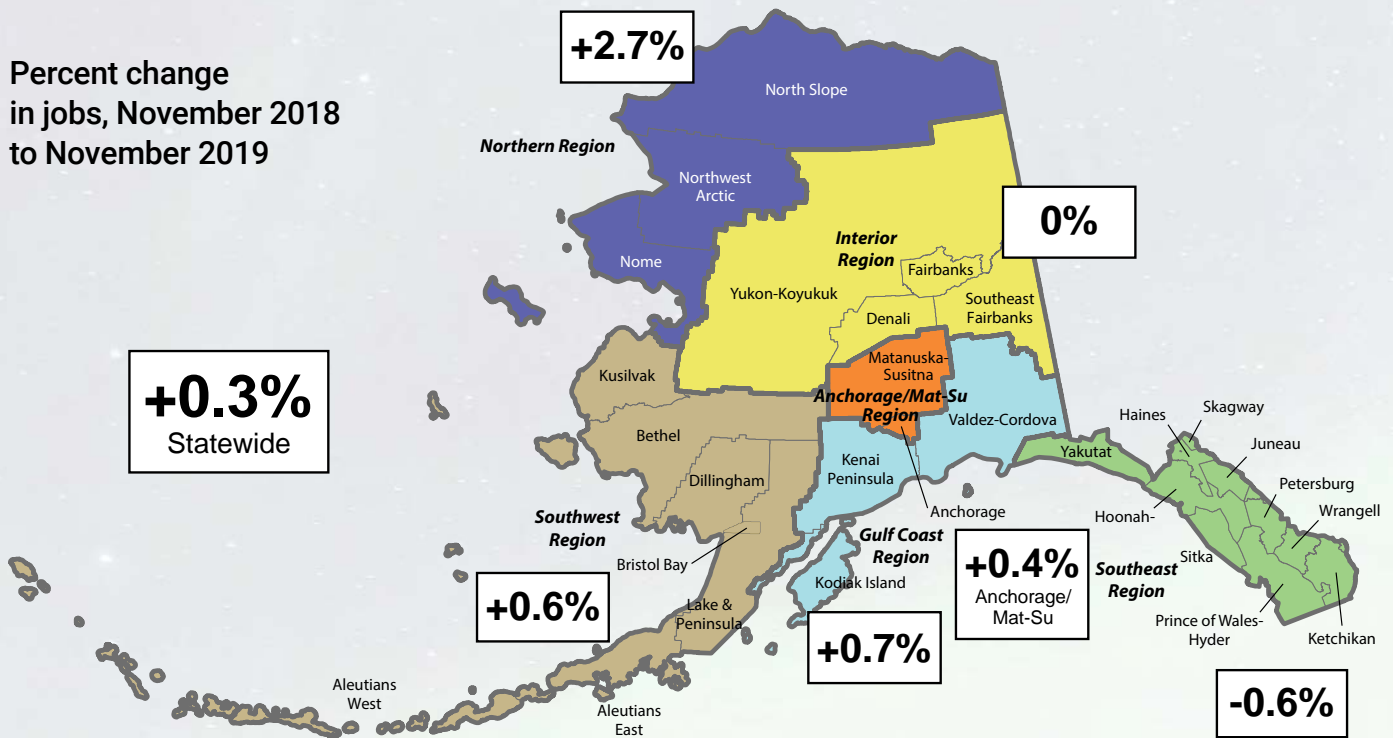
2017 to 2018



➤ The state had net migration losses for the sixth consecutive year in 2018. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change
in jobs, November 2018
to November 2019



Unemployment Rates

Seasonally adjusted

Not seasonally adjusted

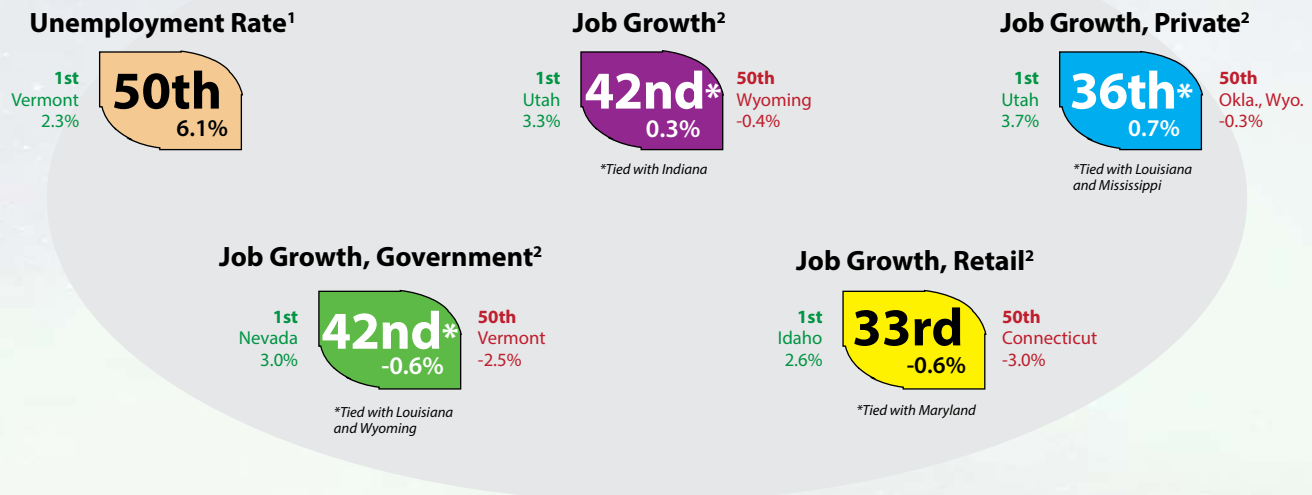
	Prelim. Revised		
	11/19	10/19	11/18
United States	3.5	3.6	3.7
Alaska	6.1	6.2	6.5

	Prelim. Revised		
	11/19	10/19	11/18
United States	3.3	3.3	3.5
Alaska	6.0	5.6	6.4

Regional, not seasonally adjusted

	Prelim. Revised				Prelim. Revised				Prelim. Revised		
	11/19	10/19	11/18		11/19	10/19	11/18		11/19	10/19	11/18
Interior Region	6.0	5.4	6.3	Southwest Region	9.9	9.0	10.4	Southeast Region	6.3	5.5	6.6
Denali Borough	16.9	9.3	16.8	Aleutians East Borough	4.7	2.5	5.1	Haines Borough	13.5	8.3	11.9
Fairbanks N Star Borough	5.3	4.9	5.6	Aleutians West Census Area	5.0	4.3	4.7	Hoonah-Angoon Census Area	14.3	10.2	17.3
Southeast Fairbanks Census Area	8.2	7.7	9.2	Bethel Census Area	11.2	11.4	11.6	Juneau, City and Borough	4.4	4.2	4.7
Yukon-Koyukuk Census Area	12.4	11.3	14.5	Bristol Bay Borough	12.4	7.6	11.4	Ketchikan Gateway Borough	6.9	6.0	6.9
Northern Region	9.9	9.4	9.9	Dillingham Census Area	7.9	7.1	8.2	Petersburg Borough	9.0	8.9	8.1
Nome Census Area	9.5	8.8	10.7	Kusilvak Census Area	15.5	15.2	17.4	Prince of Wales-Hyder Census Area	9.0	8.4	10.7
North Slope Borough	6.6	7.1	6.4	Lake and Peninsula Borough	8.9	7.9	13.3	Sitka, City and Borough	4.6	4.4	4.0
Northwest Arctic Borough	14.1	12.8	12.8	Gulf Coast Region	7.2	6.2	7.7	Skagway, Municipality	18.2	7.3	19.7
Anchorage/Mat-Su Region	5.2	5.0	5.6	Kenai Peninsula Borough	7.1	6.2	7.8	Wrangell, City and Borough	8.1	7.0	7.5
Anchorage, Municipality	4.8	4.7	5.2	Kodiak Island Borough	5.6	4.6	5.9	Yakutat, City and Borough	8.0	8.0	10.7
Mat-Su Borough	6.5	6.1	7.1	Valdez-Cordova Census Area	10.1	8.3	9.5				

How Alaska Ranks



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹November seasonally adjusted unemployment rates

²November employment, over-the-year percent change

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

Other Economic Indicators

	Current	Year ago	Change	
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	228.858	1st half 2019	223.099	+2.6%
Commodity prices				
Crude oil, Alaska North Slope, * per barrel	\$64.97	Nov 2019	\$66.84	-2.81%
Natural gas, residential, per thousand cubic feet	\$12.64	Sep 2019	\$12.22	+3.44%
Gold, per oz. COMEX	\$1,518.00	12/30/2019	\$1,281.30	+18.47%
Silver, per oz. COMEX	\$17.92	12/30/2019	\$15.54	+15.32%
Copper, per lb. COMEX	\$2.83	12/30/2019	\$2.63	+7.41%
Zinc, per MT	\$2,305.00	12/27/2019	\$2,467.00	-6.57%
Lead, per lb.	\$0.88	12/30/2019	\$0.93	-5.41%
Bankruptcies				
Business	105	Q3 2019	106	-0.94%
Personal	12	Q3 2019	9	+33.33%
Personal	93	Q3 2019	97	-4.12%
Unemployment insurance claims				
Initial filings	6,241	Nov 2019	6,934	-9.99%
Continued filings	33,021	Nov 2019	35,983	-8.23%
Claimant count	9,872	Nov 2019	9,786	+0.88%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; Kitco; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

Anchorage

Continued from page 12

will enter the Anchorage market with direct flights from Europe.

Utilities will get a boost in 2020 when the sale of Municipal Light and Power to Chugach Electric is finalized, moving ownership from local government to a private company.

Part of the sale agreement guarantees there will be no layoffs. Chugach Electric employs about 300 people and ML&P has roughly 230, but their combined workforce will probably be at least somewhat smaller because some ML&P workers will retire and others will look for different jobs with the Municipality of Anchorage or elsewhere.

State and local government will continue to lose jobs as cuts deepen

Federal government employment growth bounced around zero throughout 2019 without a clear direction or explanation. Federal employment is forecasted to grow slightly in 2020 as the U.S. Census Bureau hires to conduct the decennial census. The bureau estimates they will hire more than 1,000 people statewide, most for a narrow window of just a few months.

State government includes the University of Alaska Anchorage, and like most areas, this year's forecast shows more job loss due to budget cuts. UAA's employment was down nearly 10 percent by the fall of 2019 (about 250 jobs) compared to the prior year, and similar losses are anticipated to carry through most of 2020 with another round of budget cuts on the horizon.

Local government employment fell in 2019. All of the loss was in the Anchorage School District, which represents 72 percent of municipal employment and is the city's largest employer.

The forecast shows further loss this year as the school district faces declines due to falling enrollment and budget constraints. The sale of ML&P to a private entity will also cause some employment decline for local government.

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Fairbanks

Continued from page 14

buoyed by oil and gas as well as the F-35 preparations. Professional and business services grew 8.0 percent from 2017 to 2018 and 3.8 percent from 2018 to 2019, with a similar outlook for 2020.

Long-term growth in health care demand is twofold

Health care growth has been robust across the nation for years with an aging population, and we forecast the borough's health care industry will continue to grow in 2020 (2.3 percent, or about 100 jobs).

Over the last decade, Fairbanks' 65-plus age group has increased by at least 5 percent every year, as the graph on page 14 shows. In addition to the growing needs of an older population, the borough's demand for services will increase with its population projected to grow 3.4 percent between 2017 and 2025. Projected growth for the 65-plus population over that period is a whopping 50 percent.

Big cuts to university will continue, dampening overall job growth

Government jobs are a big part of Fairbanks' economy, representing 28 percent of the borough's employment in 2019. While local and state government jobs remained flat over the last year, federal employment increased by 100 jobs, primarily due to the intense firefighting season.

This year's forecast is for overall loss, with local government stable but state jobs continuing to disappear, mainly due to cuts to the University of Alaska system budget. The University of Alaska Fairbanks, the state's largest campus, faces an anticipated cut of \$12.3 million in the 2021 fiscal year. We forecast total state government job losses at 7.0 percent, or about 300 jobs.

Federal growth will mitigate about a third of the decline, however. In addition to increased federal civilian jobs associated with the F-35s, 2020 is a decennial census year, which will create a small number of temporary positions.

Sara Teel is an economist in Juneau. Reach her at (907) 465-6027 or sara.teel@alaska.gov.

EMPLOYER RESOURCES

High school students get hands-on health care experience

In December, 14 high school students with disabilities from across the state attended Healthcare Career Connections in Juneau for hands-on exploration of a variety of health care fields.

Alaska employers' high demand for qualified health care workers led the department's divisions of Vocational Rehabilitation and Employment and Training Services to expand opportunities for at-risk students to get in-depth exposure to careers in the health care industry. Students also learned the educational requirements to enter and advance in these jobs.

Hands-on career exploration provides clarity for students as they transition from school to work. Presentations, tours, and instruction gave students the opportunity to discover whether this type of work aligns with their interests, skills, and abilities.

Students were interested in behavioral health, nursing, physical therapy, neonatal intensive care, and physician assistant. Notably, many of the students expressed a desire to work in the Lower 48 after they graduate, despite Alaska's higher average wages.



Future health care worker Kianna Kivisto tests blood pressure and oxygen levels for the Department of Labor and Workforce Development's Sandra Burgess.

The department funds Healthcare Career Connections for students through the Southeast Alaska Area Health Education Center (a program of Southeast Regional Resource Center) and its partnerships with local health care providers.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.

SAFETY MINUTE

Slips, trips, and falls are a hazard even during a warmer winter

Slips, trips, and falls are a common hazard in Alaska, even when winter is unseasonably warm. Keep your employees safe and avoid recordable injuries this winter by giving them the following safety brief:

- Plan ahead, and give yourself plenty of time to get where you're going.
- When exiting your vehicle, watch where you place your feet so you don't fall down before you even get started.
- Don't carry heavy or large loads by yourself. Instead, break them down into smaller loads or have a coworker assist you.
- Before entering a building, clean off as much snow as you can from your boots to avoid slipping on a wet floor you created.
- On stairs, use the handrail for extra stability.
- If you have a pair of ice cleats — especially if they were issued to you as part of your job — be sure to wear them for extra traction on icy surfaces.

Safety Minute is written by the Labor Standards and Safety Division of the Alaska Department of Labor and Workforce Development.

ALASKA ECONOMIC
TRENDS
NOVEMBER 2019



Fishing jobs decline
4.9 percent in 2018

ALSO INSIDE
Yakutat



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ON THE COVER:

Design by Sara Whitney

Original photo of commercial salmon
boats at sunset at Pilot Point,
courtesy of Eco Bear Biohazard
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ALASKA
DEPARTMENT of LABOR
and WORKFORCE
DEVELOPMENT

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Dr. Tamika L. Ledbetter

ALASKA ECONOMIC TRENDS

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DECLINE 4.9% in 2018

Decreases, mostly in salmon,
put a dent in 2017's gains

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Town at top of the panhandle
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ALASKA'S ECONOMY

Trends is a nonpartisan, data-driven magazine
that covers a range of economic topics in Alaska.

ON THIS SPREAD: The background image for 2019 is an aerial photo of rivers near Circle by Dr. Travis Nelson, who teaches at the Center for Pediatric Dentistry in Seattle. Nelson visited Alaska in May 2010 to provide dental care to children in Venetie, Circle, and Fort Yukon.

Fishing Jobs Decline 4.9 Percent in 2018

Decreases were mostly in salmon harvesting

By JOSHUA WARREN

Alaska's seafood harvesting employment dropped 4.9 percent in 2018, erasing most of the prior year's gains. While some fisheries added jobs, they weren't enough to offset the losses in salmon fishing, which represents the largest share of the state's harvesting employment. (See exhibits 1 and 2.)

The total decline was about 407 average annual jobs, bringing Alaska's harvesting employment down to 7,924. (See the sidebar on page 6 for more on how we create these estimates.) The loss would have been greater had it not been for increased fishing in September and November.

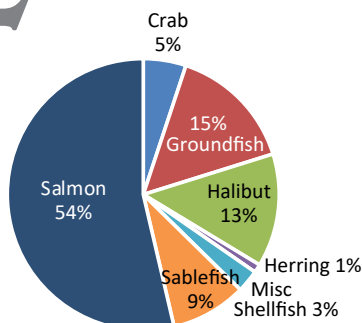
Some months' job levels were the lowest since 2001, when data collection began. The peak months, July and August, were the lowest they'd been since 2009. (See Exhibit 3.)

Salmon jobs down the most

Salmon harvesting is the most worker-intensive fishery, with more harvesters needed to land the fish per pound, so it represents more than half the state's harvesting jobs.

2 Most Jobs Are in Salmon

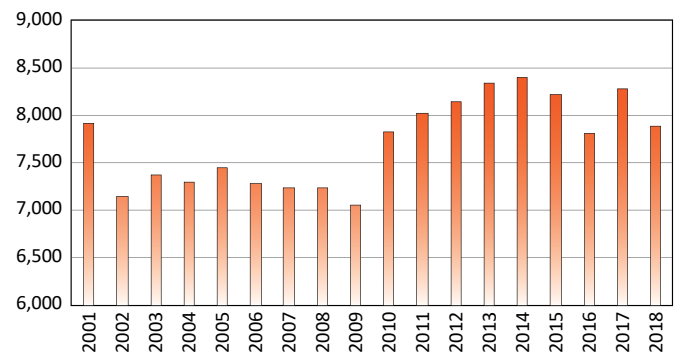
HARVESTING JOBS BY SPECIES, 2018



Sources: Commercial Fisheries Entry Commission; National Marine Fisheries Service; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

1 Annual Seafood Harvesting Jobs

ALASKA, 2001 TO 2018



Sources: Commercial Fisheries Entry Commission; National Marine Fisheries Service; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

Salmon fisheries lost 7.2 percent of their employment in 2018 (a loss of 328 from the year before), with fewer jobs in every month and the heaviest losses in the summer. Total employment dropped to 4,249 (see Exhibit 4).

Groundfish harvesting employment, which had spiked the year before, dropped back to its previous level of about 1,195. While the 9.1 percent drop (-120 jobs) seems like a large loss, 2018's total employment remained high relative to past years.

Halibut harvesting's pattern was similar, with employment growing in 2017 and decreasing in 2018, although this fishery lost less of its prior-year increase. After gaining 298 jobs in 2017, the halibut fishery lost 38 in 2018, settling at 1,068. Halibut harvesting employment also remains above its recent typical levels, which hadn't topped 1,000 in nearly a decade.

Herring was the other fishery to lose jobs in 2018, and while its employment dropped 7.1 percent, the fishery is so small at 79 annual jobs that it's prone to large percent swings. The loss was just six jobs, making the fishery largely stable. Most of the decrease came in the off

3

Seafood Harvesting Employment By Month

PLUS MONTHLY AND ANNUAL AVERAGES, ALASKA, 2001 TO 2018

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
2001	2,972	4,286	4,505	4,681	7,053	18,884	21,571	13,921	8,095	6,194	2,617	726	7,959
2002	3,590	4,047	4,334	4,913	6,715	16,292	18,224	11,975	6,983	5,794	2,632	524	7,168
2003	3,284	3,609	4,378	5,797	6,233	17,610	19,670	11,922	7,191	5,969	2,660	526	7,404
2004	3,594	3,492	4,110	5,050	6,476	17,139	19,634	12,308	7,371	6,023	2,259	509	7,330
2005	3,561	3,150	4,227	5,115	6,283	18,169	20,566	12,889	7,192	4,958	2,768	953	7,486
2006	2,700	3,038	4,573	4,293	5,709	17,748	20,066	13,700	7,719	5,003	2,507	720	7,314
2007	2,584	2,966	3,930	4,348	5,949	17,528	20,137	13,567	7,500	4,738	3,080	791	7,260
2008	2,738	3,138	4,511	4,445	5,572	17,022	20,447	13,634	8,226	4,202	2,708	602	7,270
2009	2,527	2,817	3,126	4,874	5,693	17,609	20,076	13,687	7,148	4,593	2,388	507	7,087
2010	2,668	3,060	4,005	5,255	5,685	18,878	23,128	15,287	7,759	4,992	2,887	850	7,871
2011	2,898	3,214	4,010	4,723	5,610	20,101	23,813	15,574	7,916	5,721	2,303	849	8,061
2012	2,923	3,409	4,609	5,402	6,163	19,237	24,761	16,191	6,988	5,453	2,274	853	8,189
2013	2,818	3,001	4,053	5,285	5,766	21,809	25,859	15,835	7,514	5,118	2,713	895	8,389
2014	2,628	3,247	4,970	5,174	5,866	20,984	24,916	16,614	7,990	5,010	2,808	1,210	8,451
2015	2,599	3,386	4,793	4,261	5,738	20,779	24,805	16,082	7,762	4,940	2,682	1,451	8,273
2016	2,798	3,562	4,991	4,486	5,500	18,458	23,825	15,790	7,533	4,604	1,871	870	7,857
2017	2,595	3,472	4,845	5,362	5,859	20,145	23,917	15,789	8,907	5,658	2,525	894	8,331
2018	2,437	2,929	3,820	4,596	5,369	19,213	23,152	15,138	9,601	5,137	2,899	797	7,924
Average for Month	2,884	3,323	4,322	4,892	5,958	18,756	22,143	14,439	7,744	5,228	2,588	807	7,757

Sources: Commercial Fisheries Entry Commission; National Marine Fisheries Service; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

months. The peak employment month, April, grew 12.3 percent, from 514 to 577 jobs.

Small job gains in several species

Three fisheries added jobs in 2018. Annual crab harvesting employment grew 5.0 percent (19 jobs), to 403. Most of the increase came in August, when jobs jumped to 370 from just 68 the year before.

Employment harvesting sablefish, or black cod, also grew — unlike for most groundfish species. April and September were particularly strong. The fishery gained 54 jobs overall, or 8.2 percent, reaching 713 annualized jobs.

Other shellfish fisheries had a banner year. Jobs harvesting miscellaneous shellfish increased 7.0 percent (14 jobs), pushing yearly employment up to 213.

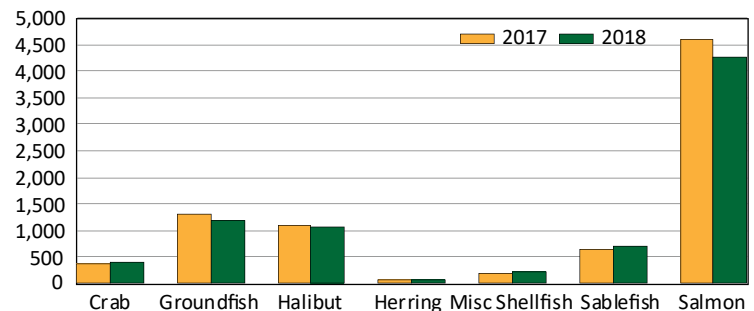
Aleutians and Pribilofs hit hardest

Among regions, the Aleutians and Pribilof Islands took the biggest hit, with harvesting employment dropping to levels not seen since 2007 and declines in every month.

4

Minor Declines For Most Species

JOBS BY TYPE OF HARVEST, 2017 AND 2018



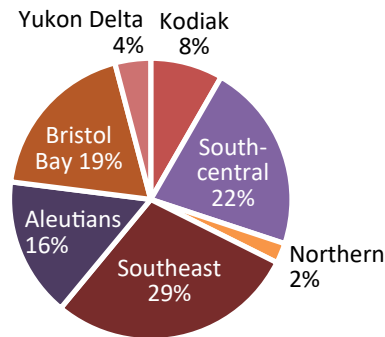
Sources: Commercial Fisheries Entry Commission; National Marine Fisheries Service; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

The region's annualized loss was a staggering 30.9 percent, dropping total yearly employment to 1,199 due to less fishing. The regions' fisheries are dominated by groundfish, which showed dramatic employment declines statewide.

Kodiak's numbers also hit some of their lowest levels since data collection began in 2001, with an employment decline of 14.5 percent to 623 annualized jobs. Just two months showed gains, and others hit their lowest-ever levels. The record low in July was especially consequential, as it's in the middle of peak harvesting. While June and August were typical, they didn't offset the weak July.

5

Jobs By Region* SEAFOOD HARVESTING, 2018



*Excludes unknown/offshore

Sources: Commercial Fisheries Entry Commission; National Marine Fisheries Service; and Alaska Department of Labor and Workforce Development, Research and Analysis Section

For detailed harvesting data, visit:
<http://live.laborstats.alaska.gov/seafood/>

Southcentral also lost jobs, but this was minor compared to the Aleutians and Kodiak. Southcentral's employment level declined 9.2 percent, hitting its lowest point since 2014 (1,632 jobs). Amid that overall downward pattern, July hit a record high.

The Northern Region's year was similar, with overall losses but a record-high July. Despite the July gains, the region's total employment declined by 13 average jobs (6.8 percent), to 174.

Southeast Region's employment decreased slightly early in the year, then jumped during fall and winter. While the high months in the second half of 2018 muted the loss, the region still lost 78 annual jobs, or 3.5 percent, bringing the total down to 2,145.

The Yukon Delta's employment grew all year in 2018 after three years of losses. While the region didn't reach historical highs, it regained some lost ground. Yukon Delta added 23 jobs over the year, or 8.1 percent, reaching 307.

Bristol Bay was the major exception in 2018, with employment approaching a decade high of 1,148. Bristol Bay fishes mostly in June, July, and August, and total employment fluctuates based on how far into August fishing goes, with even-year runs typically later than odd years. In addition to the strong August, employment grew in June, but declined in July.

Continued on page 15

Why and how we estimate seafood harvesting jobs

Alaska's world-class fisheries are a critical part of the state's economy. Estimated gross earnings in 2018 totaled more than \$1.8 billion, of which nearly \$600 million went to permit holders who were Alaska residents.

But unlike the wage and salary job numbers we and our federal partner the Bureau of Labor Statistics publish each month, the employment generated by fish harvesting is not readily available. Fishermen are considered self-employed, and permit holders are not required to report the number of people they employ in the same way as employers who are under state unemployment insurance laws.

To estimate fisheries employment that's roughly comparable to wage and salary data, we infer jobs in a given month from landings. A landing, or the initial sale of the catch, signals recent fishing activity.

Because fishing permits are associated with a specific type of gear, including boat size, we know about how many people a landing requires under various types of permits. The number of people associated with a certain permit is called the crew factor.

For example, a permit to fish for king crab in Bristol Bay with pot gear on a vessel more than 60 feet long requires about six people, according to a survey of those permit holders. So when crab is landed under that permit, we assume the permit generated six jobs that month. We count each permit only once per month regardless of the number of landings, which is similar to the way people in wage and salary jobs work different numbers of hours.

Most permits designate where specific species can be harvested, so we assign jobs to the harvest location rather than the residence of the permit holder. This approach best approximates wage and salary employment, which is categorized by place of work rather than worker residence. Jobs generated under permits that allow fishing anywhere in the state receive a special harvest area code and are estimated differently.

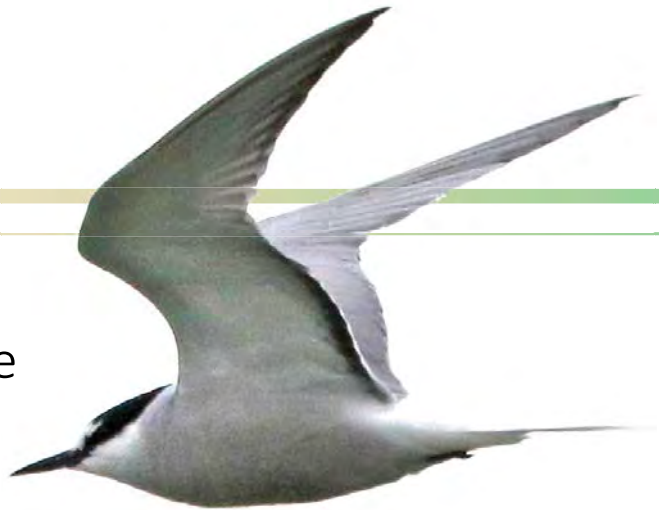
We produce the job counts by month because, as with location, that comes closest to wage and salary employment data. And because seafood harvesting employment is much higher in summer than winter, as with tourism and construction, averaging employment across all 12 months allows for more meaningful comparisons among job counts in different industries.

It's important to keep in mind that the numbers in this article cover only jobs and are not relevant in assessing other fisheries-related data such as harvest values and the income and tax revenue they make possible.

Yakutat

Town at top of the panhandle has several claims to fame

By SARA TEEL



Yakutat sits atop a glacier moraine, nestled between diverse protected lands and reachable only by air or sea. While the City and Borough of Yakutat is Southeast's smallest borough at 523 people, it encompasses an area larger than Vermont.

"Yakutat" is derived from the Tlingit *Yaakwdaat*, which means "the place where the canoes rest." While Yakutat was originally Eyak, Athabascan, and Tlingit, it has long been a melting pot. The town is a natural junction between Southeast Alaska and the Interior, and its location and many bays have long encouraged interaction and trade between tribes.

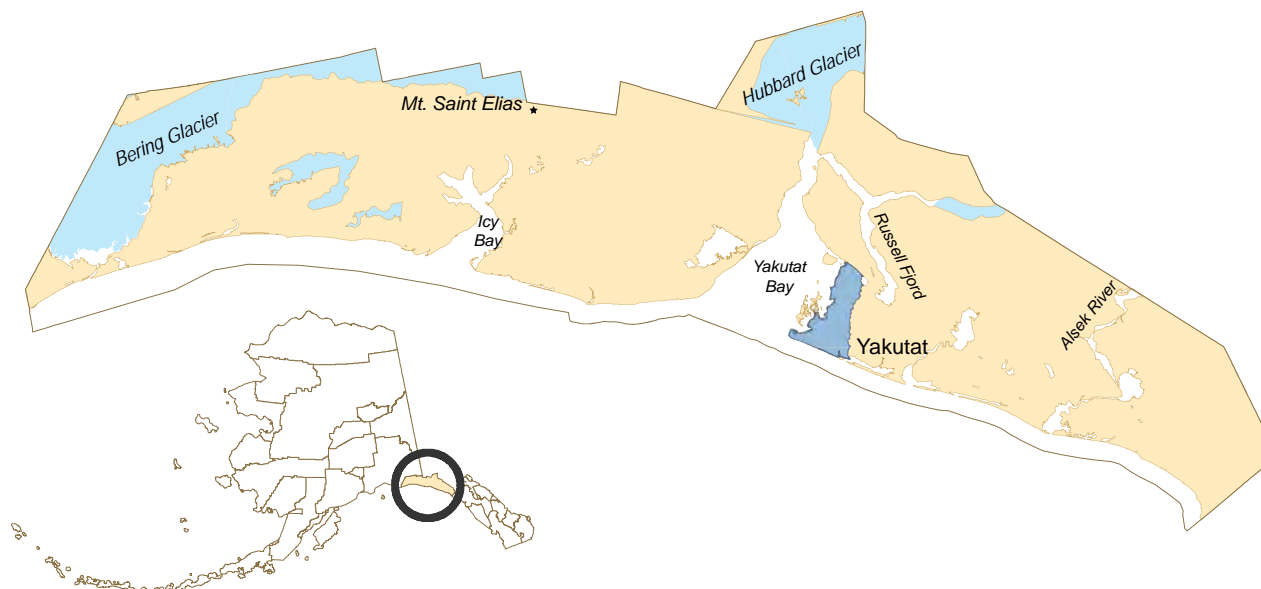
The surroundings are a modern draw as well. Residents and visitors alike can hike in the mountains or tidelands, kayak in lagoons and bays, or fish in freshwater rivers and lakes. But several characteristics make Yakutat stand out from every other scenic destination in Alaska.

A moraine is created by material a glacier deposits as it retreats: usually unconsolidated rock and sediment.

An unexpected surfing destination

While Alaska isn't normally associated with surfing, Yakutat is the exception. The town and its Cannon Beach are known for world-class surfing; of course, in Alaska that means donning wetsuits, gloves, and booties.

The area is also home to Hubbard Glacier, which is unusual because it's advancing while most glaciers are shrinking. (See the photo caption on page 9 for more.) Hubbard is a tidewater glacier that intersects



with Valerie Glacier before flowing into Disenchantment Bay, and it's more than six miles long where it meets the water. The glacier is highly active, and its massive calving causes earthquakes. In less than a week's span during 2015, Hubbard's calving produced 28 glacial quakes.

Fishing still drives the economy

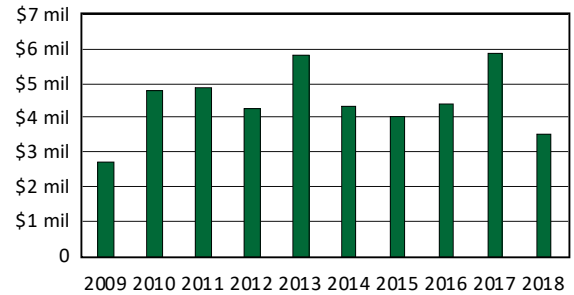
While the area has a history of trade in copper, furs, skins, shells, and canoes, fishing has been the heart of the local economy and culture for many years.

In the early 20th century, the Yakutat and Southern Railroad was built to haul salmon from Situk Landing to a cannery in Yakutat. The railroad is another Alaska outlier in that it's the only railroad in the state that was never linked to mining. The timing of the trains was based on the tides, and the trains ran seasonally for 60 years.

Local fisheries are invaluable for subsistence, and they provide substantial seasonal income through commercial and sport fishing. While halibut, sablefish, rockfish, ling cod, and trout are common harvests, salmon is the biggest by far. All five salmon species — king, sockeye, pink, chum, and coho — run in the area and about 90 percent of commercial harvesters fish for salmon.

1 Yakutat Fisheries Earnings Dropped Sharply in 2018

TOTAL EARNINGS,* 2009 TO 2018



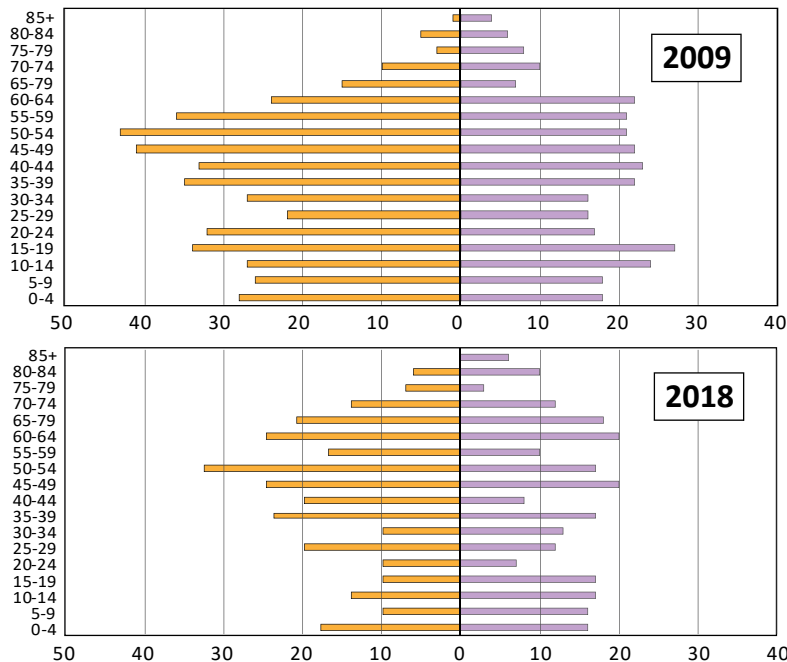
*All earnings adjusted to 2018 dollars
Source: Alaska Commercial Fisheries Entry Commission

According to the Alaska Commercial Fisheries Entry Commission, Yakutat's estimated gross earnings for all fisheries in 2018 were almost \$3.6 million, 42 percent of which came from salmon fisheries.

Like all fishing-dependent villages, Yakutat is subject to fisheries volatility. (See Exhibit 1.) The area felt the shock of the Gulf of Alaska pink salmon disaster in 2016, then was hit again in 2018 by the unprecedented closure of the sockeye salmon fishery due to extremely low returns. (See the article on page 4 for more on 2018 job losses in salmon harvesting.) Landed poundage was 45 percent lower than the year before and down 20 percent from 2009.

2 Big Demographic Shifts Over Decade

YAKUTAT, AGE BY GENDER, 2009 AND 2018



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

More than 200 species of birds nest there

Variety is the word for the local bird population as well. With more than 200 bird species in the area, Yakutat is a popular place for birdwatching. Birders can brave the drive on Dangerous River Road to catch a glimpse of red-breasted sapsuckers in the cottonwoods or watch a multitude of fox sparrows and orange-crowned warblers among the marshes. Visitors can also charter a boat to view marbled murrelets, harlequin ducks, or turnstones along the shoreline.

The most famous seabird that nests in Yakutat is the rare Aleutian tern, a small migratory bird related to gulls. Yakutat is home



Hubbard Glacier calves in Yakutat Bay. The photographer witnessed calving chunks of ice he estimates were as high as 20-story buildings.

Hubbard Glacier is unusual in that unlike other glaciers, it's advancing rather than receding. According to University of Kansas glaciologist Leigh Stearns, this is due to the glacier's large accumulation area, which extends far into the Saint Elias Mountains. Snow that falls in the basin flows down to the terminus. The glacier also sits at a growing moraine, which has created a barrier that stabilizes the glacier and allows it to keep advancing while preventing it from floating.

Photo by Flickr user Kenneth Cole Schneider

to one of the world's largest known breeding colonies of Aleutian terns, and 2020 will mark the 10th annual Yakutat Tern Festival, a four-day spring event not just for birders but for hikers, kayakers, and runners in the annual Wildman Race.

Population has declined, and Yakutat had no births last year

Like the rest of Southeast, Yakutat has lost population over the decade, and its population is getting older.

2009 was the last year more people moved to Yakutat than left, and the population jumped by 50 residents that year. It's been on a steady decline since, falling 30 percent from a peak of 744 residents in 2009 to 523 in 2018.

Yakutat has the smallest population of all Alaska boroughs and census areas, and it has also seen the greatest population decline in percent terms since the 2010 Census.

Because Yakutat's population is so small, the movements of a small number of people can shift its demographics. Younger people are more likely to move and more likely to have children, so a smaller population has driven a nearly seven-year rise in the median age, from 38.5 to 45.3. (See exhibits 2 and 3.)

Yakutat had the lowest birth rate in the state in 2018, at zero births per 1,000 people. (See

Continued on page 14

3 Yakutat Has the Lowest Birth Rate

BIRTH RATES AND MEDIAN AGE, ALASKA AREAS, 2018

Borough/Census Area	Births Per 1,000	Median Age
Kusilvak Census Area	28.7	24.1
Bethel Census Area	22.8	27.3
Lake and Peninsula Borough	22.2	32.5
Northwest Arctic Borough	19.3	28.2
Nome Census Area	18.3	28.5
Dillingham Census Area	17.1	30.2
Fairbanks North Star Borough	16.7	33.9
North Slope Borough	16.1	33.4
Southeast Fairbanks Census Area	15.8	38.1
Skagway Borough, Municipality	14.7	42.0
Statewide	14.1	35.2
Anchorage, Municipality	13.9	34.5
Kodiak Island Borough	13.7	34.6
Matanuska-Susitna Borough	13.0	35.6
Yukon-Koyukuk Census Area	12.8	36.4
Prince of Wales-Hyder Census Area	12.6	40.7
Valdez-Cordova Census Area	12.6	38.8
Kenai Peninsula Borough	12.0	41.5
Ketchikan Gateway Borough	11.6	39.7
Sitka, City and Borough	10.9	39.8
Petersburg Borough	10.6	42.8
Wrangell, City and Borough	10.3	48.0
Juneau, City and Borough	10.2	38.3
Haines Borough	9.7	48.6
Bristol Bay Borough	9.1	43.7
Aleutians West Census Area	6.9	41.3
Denali Borough	5.5	43.2
Aleutians East Borough	4.4	44.1
Hoonah-Angoon Census Area	2.8	46.8
Yakutat, City and Borough	0	45.3

Note: Based on 2018 geography

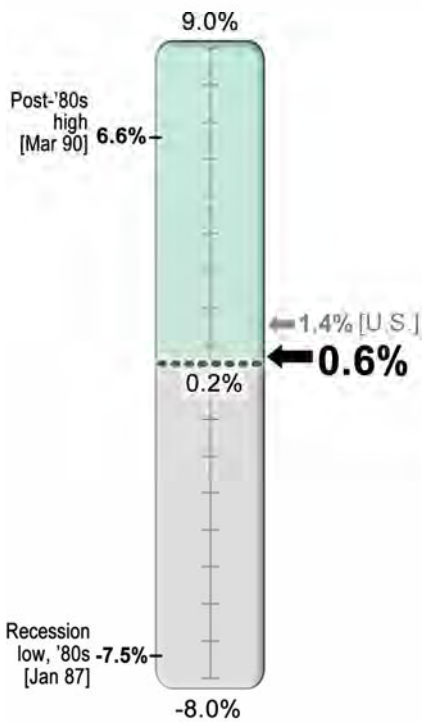
Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Census Bureau

Gauging Alaska's Economy



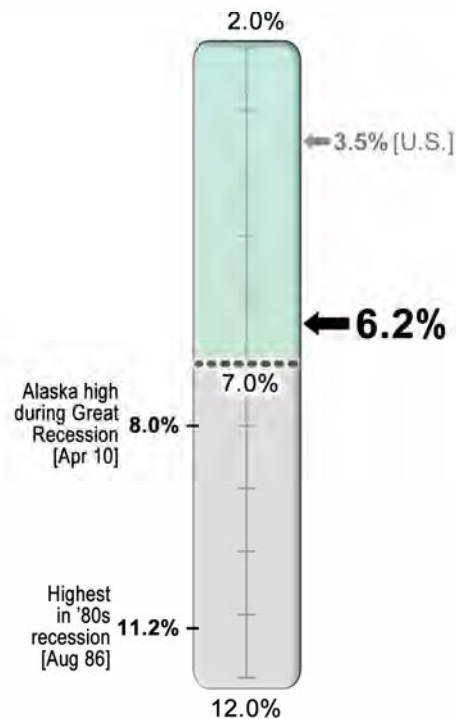
Job Growth

September 2019
Over-the-year percent change



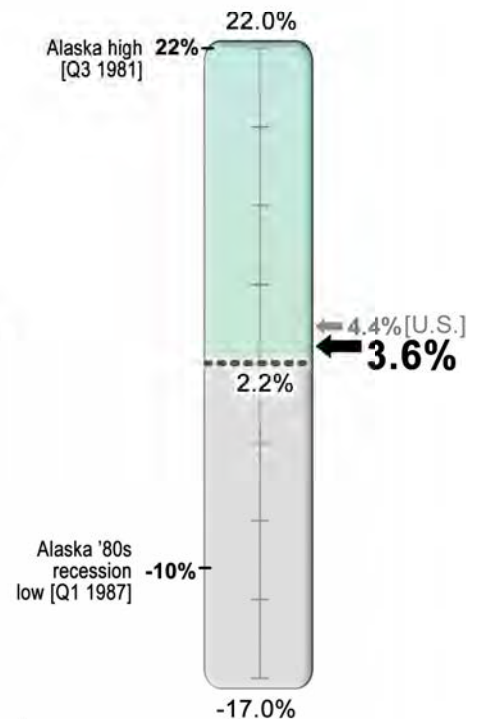
Unemployment Rate

September 2019
Seasonally adjusted



Wage Growth

1st Quarter 2019
Over-the-year percent change

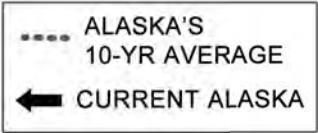


- The state has registered over-the-year job gains for 12 straight months after losing jobs for the prior three years.
- The gains are small so far and almost disappeared in August.
- U.S. job growth remains stable and has been positive since 2010, with the strongest growth in 2015.

- Until April, Alaska's seasonally adjusted rate had spent nearly a year at 6.5 percent.
- Unemployment rates are complicated economic measures and generally less telling at the state level than job or wage growth as indicators of broad economic health.

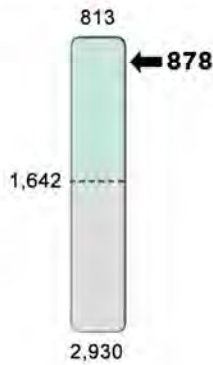
- Wages increased for the sixth straight quarter, and the strongest growth over that period was in 4th quarter 2018.
- Alaska's wage growth rate was slightly below the nation's, but both remained strong.

Gauging Alaska's Economy



Initial Claims

Unemployment, week ending Oct. 5, 2019†

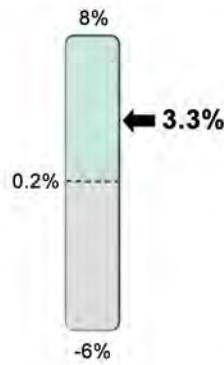


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

† Four-week moving average ending with the specified week

GDP Growth

1st Quarter 2019
Over-the-year percent change*

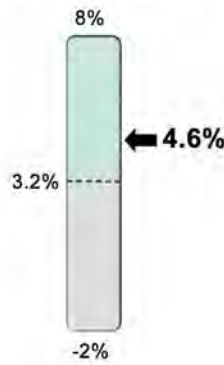


➤ Gross domestic product is the value of the goods and services a state produces. Alaska's GDP has grown for the last 10 quarters after declining for 15 out of the prior 16.

*In current dollars

Personal Income Growth

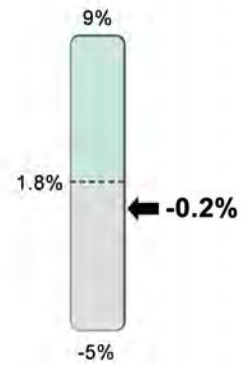
2nd Quarter 2019
Over-the-year percent change



➤ Personal income includes wages as well as transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. Growth has resumed and is above the 10-year average.

Change in Home Prices

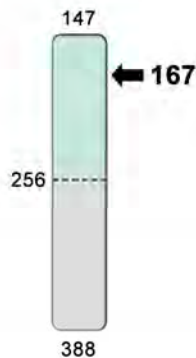
Single-family, 2nd Qtr 2019
Over-the-year percent change



➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

Foreclosures

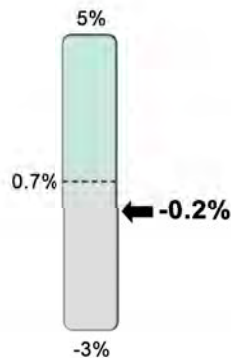
2nd Quarter 2019



➤ Foreclosure rates remain low, highlighting how different the state's recent recession was from the '80s recession when foreclosure rates exceeded 2,000 in some quarters.

Population Growth

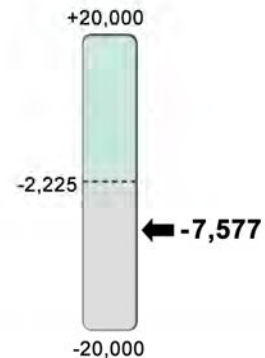
2017 to 2018



➤ The state's population has remained mostly stable during the state's recession, although 2018 was only the second year of population declines since 1988.

Net Migration

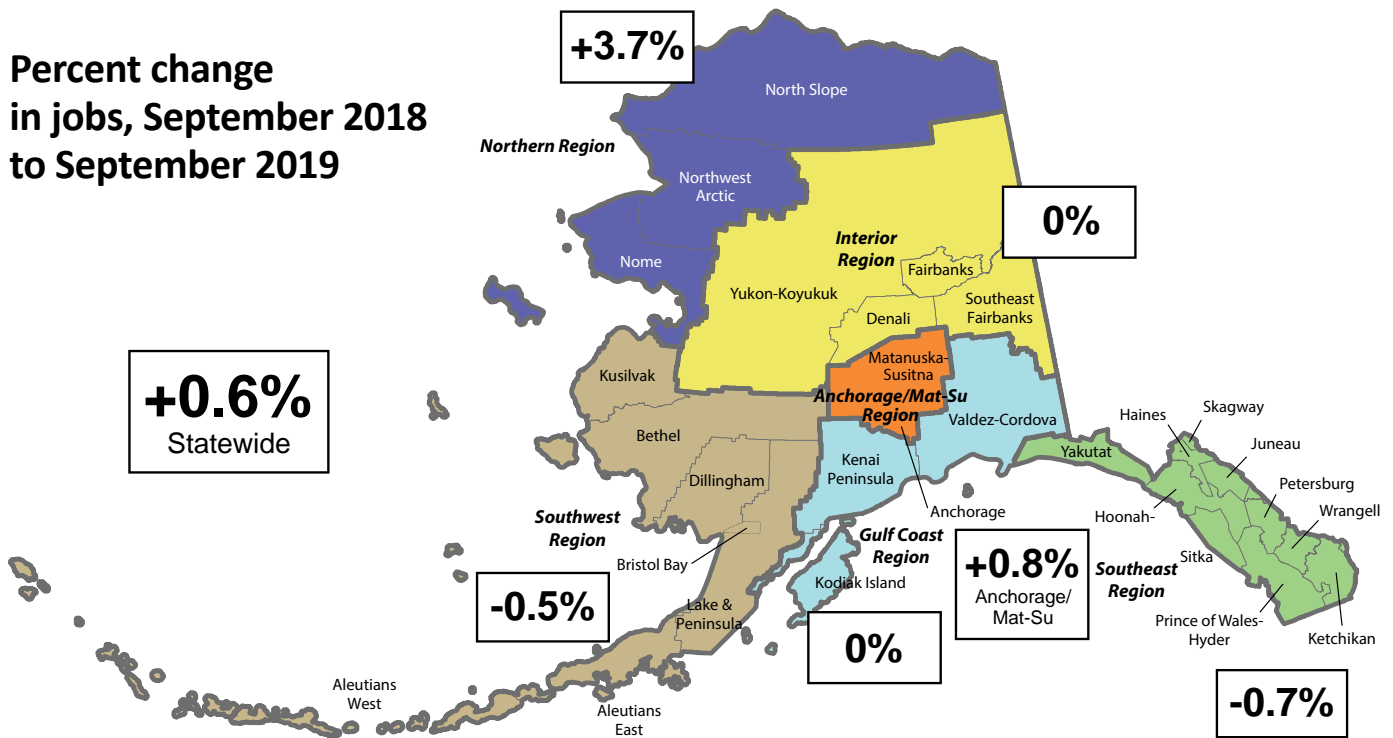
2017 to 2018



➤ The state had net migration losses for the sixth consecutive year in 2018. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change
in jobs, September 2018
to September 2019



Unemployment Rates

Seasonally adjusted

Not seasonally adjusted

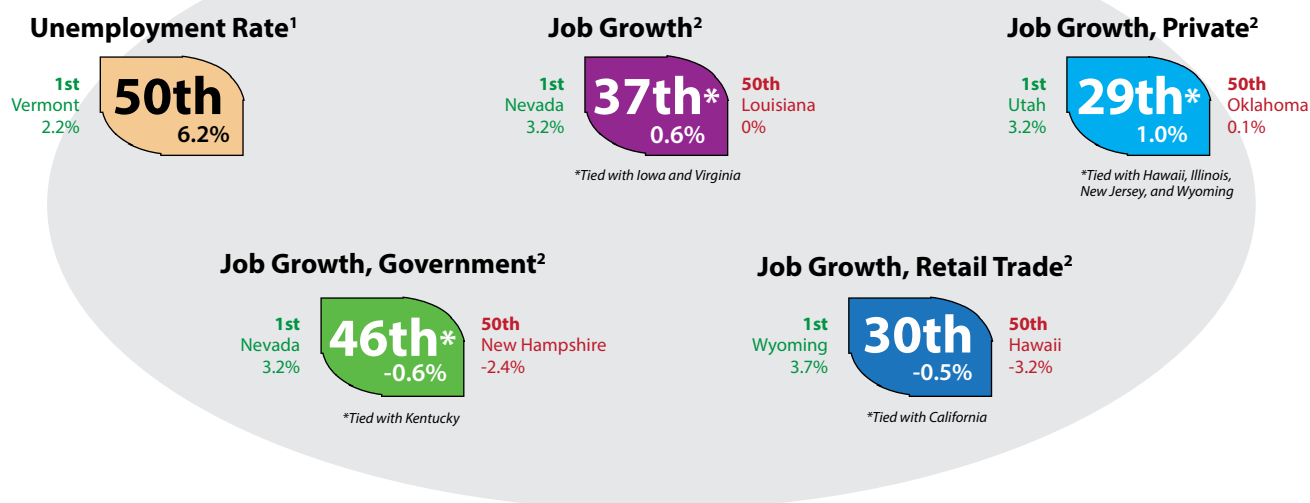
	Prelim. Revised		
	09/19	08/19	09/18
United States	3.5	3.7	3.7
Alaska	6.2	6.2	6.5

	Prelim. Revised		
	09/19	08/19	09/18
United States	3.3	3.8	3.6
Alaska	5.6	5.3	5.9

Regional, not seasonally adjusted

	Prelim. Revised				Prelim. Revised				Prelim. Revised		
	09/19	08/19	09/18		09/19	08/19	09/18		09/19	08/19	09/18
Interior Region	5.3	4.9	5.6	Southwest Region	9.4	9.2	9.5	Southeast Region	4.8	4.4	4.9
Denali Borough	4.3	3.2	3.7	Aleutians East Borough	2.2	1.9	2.7	Haines Borough	5.3	4.8	6.3
Fairbanks N Star Borough	4.9	4.5	5.1	Aleutians West Census Area	3.1	2.6	3.6	Hoonah-Angoon Census Area	6.7	6.1	6.9
Southeast Fairbanks Census Area	7.1	6.9	7.8	Bethel Census Area	13.1	13.6	12.4	Juneau, City and Borough	4.0	3.8	4.0
Yukon-Koyukuk Census Area	11.8	11.7	12.0	Bristol Bay Borough	6.7	3.9	4.8	Ketchikan Gateway Borough	5.0	4.4	5.0
Northern Region	10.2	10.1	10.1	Dillingham Census Area	8.3	6.8	8.2	Petersburg Borough	7.4	6.7	6.9
Nome Census Area	9.9	10.3	10.3	Kusilvak Census Area	16.2	18.4	17.2	Prince of Wales-Hyder Census Area	8.2	8.1	8.8
North Slope Borough	7.5	6.7	7.6	Lake and Peninsula Borough	7.8	7.5	9.7	Sitka, City and Borough	3.7	3.4	3.7
Northwest Arctic Borough	13.5	13.6	12.9	Gulf Coast Region	5.7	4.9	6.2	Skagway, Municipality	3.1	2.6	3.3
Anchorage/Mat-Su Region	5.3	5.0	5.6	Kenai Peninsula Borough	5.9	5.3	6.6	Wrangell, City and Borough	6.1	5.8	5.5
Anchorage, Municipality	5.0	4.6	5.2	Kodiak Island Borough	4.4	4.1	5.2	Yakutat, City and Borough	6.6	5.9	6.5
Mat-Su Borough	6.3	5.9	6.7	Valdez-Cordova Census Area	5.9	4.3	5.4				

How Alaska Ranks



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹September seasonally adjusted unemployment rates

²September employment, over-the-year percent change

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

Other Economic Indicators

	Current		Year ago	Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	228.858	1st half 2019	223.099	+2.6%
Commodity prices				
Crude oil, Alaska North Slope,* per barrel	\$63.83	Sep 2019	\$77.63	-17.78%
Natural gas, residential, per thousand cubic feet	\$15.29	July 2019	\$13.77	+11.04%
Gold, per oz. COMEX	\$1,497.50	10/23/2019	\$1,236.80	+21.08%
Silver, per oz. COMEX	\$17.57	10/23/2019	\$14.79	+18.80%
Copper, per lb. COMEX	\$2.62	10/23/2019	\$2.76	-4.86%
Zinc, per MT	\$2,467.50	10/22/2019	\$2,669.00	-7.55%
Lead, per lb.	\$1.02	10/23/2019	\$0.91	+11.54%
Bankruptcies				
	106	Q2 2019	105	+0.95%
Business	9	Q2 2019	6	+50%
Personal	97	Q2 2019	99	-2.02%
Unemployment insurance claims				
Initial filings	4,179	Sep 2019	4,410	-5.24%
Continued filings	22,531	Sep 2019	24,579	-8.33%
Claimant count	5,274	Sep 2019	6,481	-18.62%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; Kitco; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

4

More Yakutat Facts And Statewide Comparisons

U.S. CENSUS BUREAU, VARIOUS PRODUCTS

	Alaska	Yakutat*
Race and Ethnicity as of July 1, 2018		
White	65.3%	35.9%
Black	3.8%	2.0%
Alaska Native	15.4%	39.6%
Asian	6.6%	6.8%
Pacific Islander	1.4%	1.3%
Two or more races	7.4%	14.4%
Hispanic or Latino (ethnicity)	7.2%	4.6%
White and not Hispanic	60.3%	32.6%
Population Characteristics		
Veterans, 2013-2017	67,004	50
Foreign-born, 2013-2017	7.6%	6.0%
Housing		
Housing units, July 1, 2018	318,336	459
Owner-occupied units, 2013-2017	63.7%	60.4%
Median value, owner-occupied, 2013-2017	\$261,900	\$185,000
Families and Living Arrangements		
Households, 2013-2017	252,536	255
Household size, 2013-2017	2.81	2.4
Computer and Internet Use		
Households with a computer, 2013-2017	92.4%	89.0%
Households with broadband Internet, 2013-17	82.9%	69.8%
Education		
High school graduate or higher, 2013-2017	92.4%	91.9%
Bachelor's degree or higher, 2013-2017	29.0%	19.6%
Health		
With a disability, under 65, 2013-2017	8.5%	4.9%
Without health insurance, under 65, 2013-17	14.3%	18.6%
Transportation		
Mean travel time to work, 2013-2017	18.8 min	6.5 min
Income and Poverty		
Median household income,** 2013-17	\$76,114	\$64,583
Below federal poverty threshold	10.9%	15.3%
Geography		
People per square mile, 2010	1.2	0.1
Land area in square miles, 2010	570,641	7,649

*Margins of error are significant for small areas like Yakutat.

**In 2017 dollars

Sources: U.S. Census Bureau: 2018 estimates, American Community Survey 2013-2017, and 2010 Census

YAKUTAT

Continued from page 9

Exhibit 3.) While a low birthrate is common with an older population, not having any registered births in a year is unusual, even in a small place.

True to its indigenous roots, Yakutat is 40 percent Alaska Native, which is nearly three times the state's percentage. Yakutat also has almost twice the share of residents who identify as multiracial. For more details about the population and how it compares to Alaska overall, see Exhibit 4.

Government jobs play a major role

Government jobs play an important role in Yakutat, as they do in most Alaska villages where they provide basic services. They are also a source of stable income because they aren't seasonal like tourism or fishing.

Thirty-nine percent of Yakutat's wage and salary jobs were in government in 2018 compared to 24 percent statewide. While the federal shares were about the same for Yakutat and Alaska as a whole, at around 20 percent, Yakutat had a much higher share of local government, at 66 percent. In Alaska overall, 51 percent of government jobs were in local government.

Tribal government is included in local government, and the Yakutat Tlingit Tribe runs the local senior center, community health center, and culture camp. The tribe also manages multiple grants in areas such as housing and water quality studies.

In the last decade, the levels of federal and state jobs have remained essentially the same while local government employment has fallen 34 percent. The increasingly smaller population suggests less demand and revenue for those services.

Earnings haven't taken a big hit

Yakutat's total employment and earnings have also declined over the past decade, but to a lesser degree. While population dropped 30 percent from 2009 to 2018, employment declined just 15 percent. The difference was mainly due to an uptick in jobs in 2018, primarily in health and social services.

Overall earnings have declined just 5 percent since 2009, in 2018 dollars. While government has been in decline, private sector earnings have increased 5 percent, mostly through tourism. Earnings in accommodation alone jumped 40 percent over that decade.

Sara Teel is an economist in Juneau. Reach her at (907) 465-6027 or sara.teel@alaska.gov.

FISHING EMPLOYMENT

Continued from page 6

What to expect for 2019 numbers

Fish harvesting employment will likely benefit from a much larger salmon catch in 2019, and in Bristol Bay in particular. The timing of the catch and whether more permits were fished will influence how much of the increased harvest translates into higher job numbers. (See

the sidebar on page 6 for details on how we estimate fishing jobs.)

Downward pressure on jobs will likely come from the ongoing decline of Pacific cod stocks and corresponding reduced catches. As noted earlier, 2018 job numbers were down dramatically in groundfish fisheries, especially in the Aleutians. If stocks continue to fall, more job losses are likely in 2019.

Joshua Warren is an economist in Juneau. Reach him at (907) 465-6032 or joshua.warren@alaska.gov.

EMPLOYER RESOURCES



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ALASKA ECONOMIC **TRENDS**

OCTOBER 2019

HOW GOVERNMENT in ALASKA COMPARES

ALSO INSIDE

Alaska's labor force participation decline
Mythbusting Alaska's boom-bust reputation

FROM THE COMMISSIONER

Veterans bring valuable skills to Alaska employers

By **Dr. Tamika L. Ledbetter**, Commissioner

A proven way to find quality employees and boost any organization's performance is to actively recruit military veterans, and Alaska has more veterans per capita than any other state. About 12.5 percent of Alaska's adults are veterans, putting us far ahead of the second-highest state, Virginia, at 10.8 percent. Communities near military installations in particular have an untapped treasure in this ready-made workforce.

The skills and discipline veterans bring from their military service make them excellent candidates for hire. The Society for Human Resource Management has conducted a number of surveys to identify the most important skills businesses need, and the vast majority of respondents have consistently said their veteran hires possess some of the most desired qualities, including adaptability, dependability, problem-solving, leadership, follow-through, the ability to work as part of a team, and a strong sense of responsibility.

It's wise to connect with veterans as soon as possible after they retire or separate from service, as they're more likely to stay in Alaska and make a smooth transition into the civilian workforce if they can access local programs and veterans services and quickly secure a job.

The Department of Labor and Workforce Development has long focused on reaching out to the population of skilled men and women who have worked tirelessly to protect our country, at home and abroad.



Our local job centers are dedicated to supporting veterans and helping them overcome barriers to employment. Job center staff and their partners under the Workforce Innovation and Opportunity Act provide job search assistance, training, and other services to meet veterans' specific employment needs.

Each November, the department hosts a statewide Veterans and Military Spouses Job Fair in Anchorage, where more than 100 employers connect veterans and their spouses to local hiring managers. In addition to finding employees, businesses can enjoy the added advantage of tax credits under the Work Opportunity Tax Credit when they hire eligible veterans.

This year's job fair will be Nov. 22 from 10 a.m. to 2 p.m. at the University Center Mall on Old Seward Highway. Employers can call (907) 269-4777 for more details or register [here](#).

One way we can thank veterans for their service is to ensure we support them during their transition, and the first step is connecting them to jobs where they can immediately put their transferrable skills to use. To every veteran, as well as to their spouses and dependents, we appreciate your sacrifice and thank you for your dedicated service.

Contact Dr. Tamika L. Ledbetter, Commissioner, at (907) 465-2700 or commissioner.labor@alaska.gov.



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ON THE COVER:

Sitka's John O'Connell Bridge
is shown with Mount Edgecumbe
looming in the background.
Photo courtesy of Don Kluting

ALASKA
DEPARTMENT of LABOR
and WORKFORCE
DEVELOPMENT

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Trends is a nonpartisan, data-driven magazine
that covers a range of economic topics in Alaska.

ON THIS PAGE: The background image for 2019 is an aerial photo of rivers near Circle by Dr. Travis Nelson, who teaches at the Center for Pediatric Dentistry in Seattle. Nelson visited Alaska in May 2010 to provide dental care to children in Venetie, Circle, and Fort Yukon.

If you have questions or comments, contact editor Sara Whitney at sara.whitney@alaska.gov or (907) 465-6561.
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How Government in Alaska Compares

Do we have more state/local government than other states?

By **DAN ROBINSON**

As Alaska wrestles with an ongoing budget imbalance, one of the questions we face is how much government we want and need. One step toward making that policy decision is understanding how Alaska's government job numbers and wages line up with other states and why states differ.

Mix of state and local jobs varies by state, so they're combined

The different mix of services state and local governments provide around the country makes a straight-across comparison of per capita state government jobs misleading. State and local government are often intertwined through funding as well as function. For example, many public education jobs in Alaska are funded by the state but categorized as local government. As a result, this article combines the two.

On average, about 31 percent of state and local government jobs nationwide are state government, but in Alaska it's 36 percent. Our boroughs and unincorporated areas, called "census areas," provide fewer local government services than equivalent counties, townships, and parishes in other parts of the country, making Alaska's state government responsible for more basic services.

For example, Alaska State Troopers and Village Public Safety Officers do police work that local governments would handle in many states. Similarly, Alaska's state courts try a higher percentage of total cases than in other states, where county courts carry heavy caseloads. Transportation services and infrastructure are another example; the Alaska Department of Transportation and Public Facilities operates the major airports in Anchorage and Fairbanks as well as 200-plus rural airports and a large number of docks.

Federal jobs and their funding are mostly outside the

1 Small States Have More Government

STATE AND LOCAL, 2018

	Govt jobs per 100 people	Population
1 Wyoming	10.6	577,737
2 North Dakota	9.6	760,077
3 Alaska	8.9	736,239
4 Nebraska	8.1	1,929,268
5 Kansas	8.0	2,911,505
6 Vermont	7.9	626,299
7 South Dakota	7.7	882,235
8 Iowa	7.7	3,156,145
9 Oklahoma	7.6	3,943,079
10 New Mexico	7.5	2,095,428
United States	6.1	327,467,434
41 Illinois	5.9	12,741,080
42 Indiana	5.9	6,691,878
43 Tennessee	5.7	6,770,010
44 Georgia	5.6	10,519,475
45 Michigan	5.5	9,995,915
46 Arizona	5.0	7,171,646
47 Pennsylvania	4.7	12,807,060
48 Rhode Island	4.7	1,057,315
49 Nevada	4.7	3,034,392
50 Florida	4.6	21,299,325

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

sphere of the state's budget and influence, so they are excluded from this analysis.

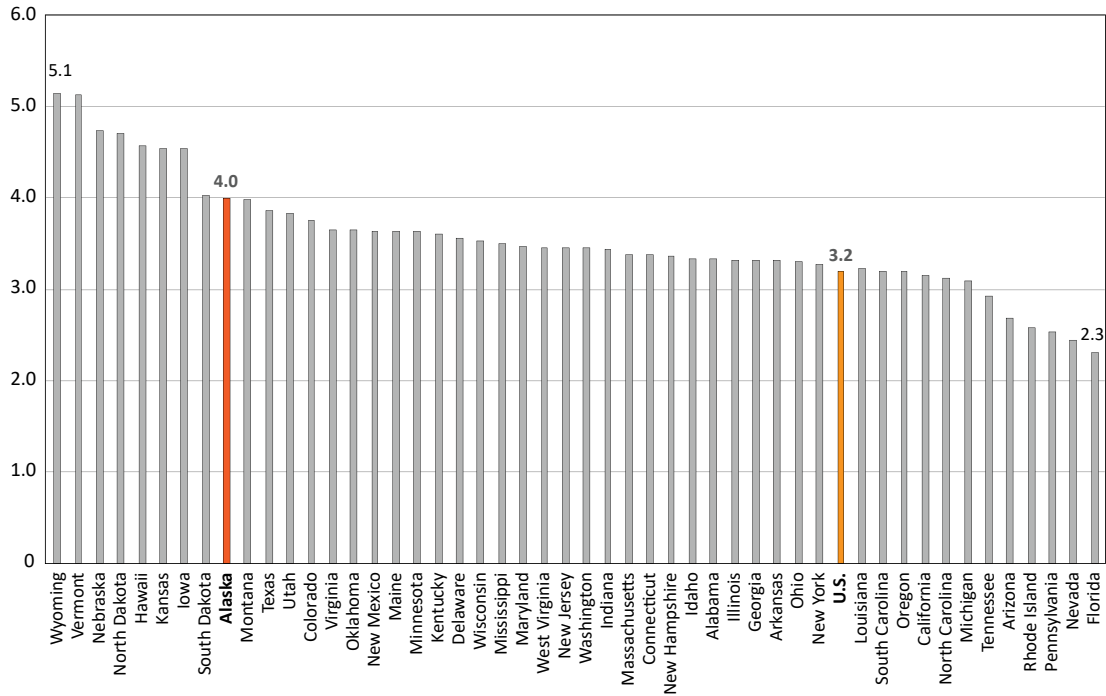
Small population, vast size mean more government jobs per capita

States with small populations tend to have more government jobs per capita. Wyoming, the least-popu-

2

Government Education Jobs Per 100 People

WITHIN STATE AND LOCAL GOVERNMENT, BY STATE, 2018



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

lated state at around 580,000, has the most state and local government jobs per 100 people, at 10.6. (See Exhibit 1.) Of the six states with fewer than a million people, five rank in the top 10 for government jobs per capita.

Delaware is the outlier. With a population of about 967,000 in just 1,955 square miles, Delaware is about one-fiftieth the size of Wyoming. It ranks 30th in government jobs per capita, at 6.3.

Delaware highlights that land size is another relevant factor in per capita government job numbers. North Dakota is about 35 times larger than Delaware, and Alaska is nearly 300 times larger. It's easier and more efficient to provide government services in a state that's smaller and more densely populated.

Biggest chunk of government jobs by far are in education

About two-thirds of all state and local government jobs nationwide are connected to education: primarily public universities and community colleges at the state level and public K-12 schools at the local level. Alaska ranks ninth for public education jobs, with 4.0 for every 100 people. (See Exhibit 2.)

The nation has 3.2 public education jobs per 100

About the numbers

This article uses only jobs that are covered by state unemployment insurance laws. Employers, including state and local governments, are required to file quarterly reports that detail the numbers and types of workers on their payroll as well as the amounts they were paid.

Elected and appointed state and local government positions are generally not covered by unemployment insurance and are not included here.

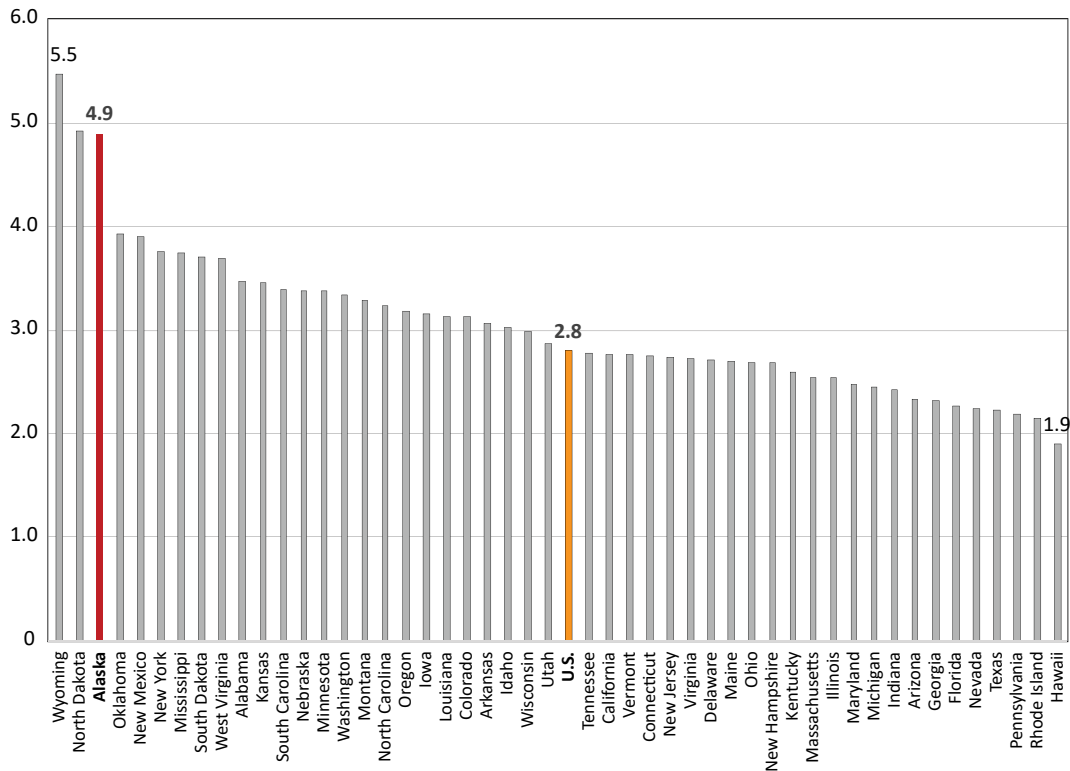
These jobs numbers are annualized. In other words, a job that lasted six months is counted as 0.5 jobs. They also are not necessarily full-time.

Local government includes jobs in tribal government. In Alaska, tribal government accounts for just under 10 percent of local government employment.

3

Noneducation Government Jobs Per 100 People

STATE AND LOCAL GOVERNMENT BY STATE, 2018



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

people. The most populous states have relatively few, which again suggests efficiencies are available with larger and more concentrated populations.

Consider, for example, the number of education jobs relative to the population in one of Alaska’s rural school districts versus large urban school districts. Even the smallest, most remote schools require building and maintenance, administrative, and managerial staff in addition to teachers.

Texas is an exception in this category. Despite being the second most populated state, Texas has a relatively high concentration of public education jobs, at 3.9 per 100 people. Geography is the likely explanation for this outlier as well, as Texas is second-largest geographically, after Alaska. Parts of Texas have dispersed, remote, and small populations, which would require more government workers per capita to deliver the same level of services.

Alaska ranks third per capita for jobs outside education

Putting education-related government jobs aside, three states have noticeably higher concentrations of other

government jobs: Wyoming, North Dakota, and Alaska. The top five states in this category all depend heavily on natural resources, and oil in particular.

The four highest-ranked states and the three lowest show another pattern that might seem confusing: political leanings. At the high end for noneducation government jobs per capita, Wyoming, North Dakota, Alaska, and Oklahoma are solidly red, having voted Republican in at least the four most recent presidential elections. The three states with the lowest concentrations of these jobs — Hawaii, Rhode Island, and Pennsylvania — are solidly or predominantly blue (Pennsylvania voted Democratic until the 2016 election).

These rankings shouldn’t be interpreted to mean red states have more government jobs and blue states fewer per capita; rather, they suggest politics is less important than other factors in determining a state’s concentration of government jobs.

Alaska government jobs pay a little less than average

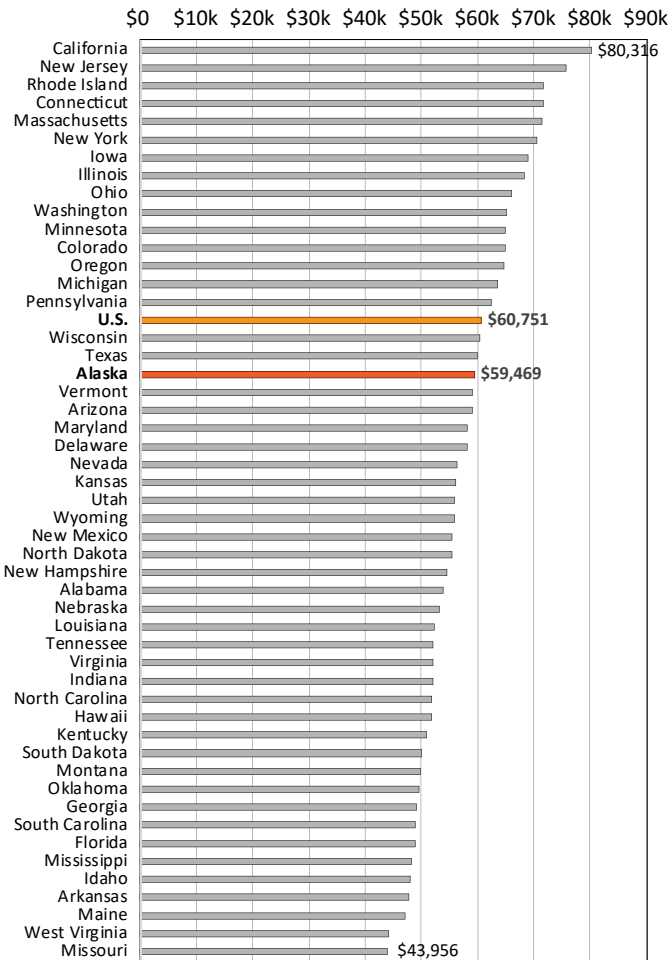
Another relevant comparison is how much state and

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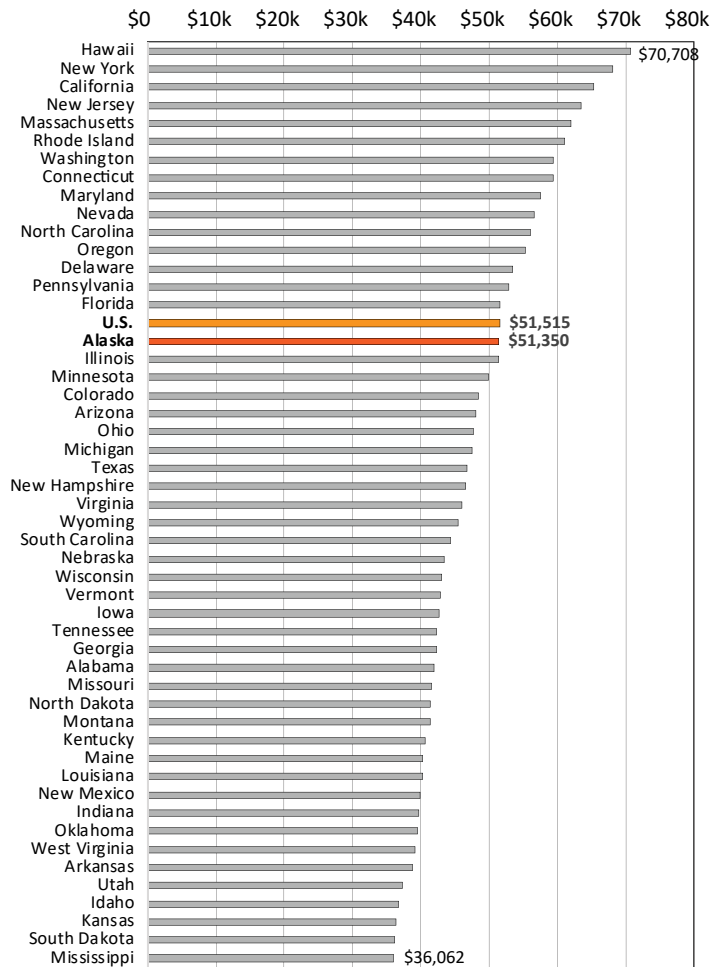
What Government Jobs Pay By State

STATE AND LOCAL, AVERAGE YEARLY WAGES, 2018

State Government



Local Government



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

local government jobs pay by state. Alaska’s average wages for both are slightly below average, which is somewhat surprising given our higher costs of living and historically high overall wages. (See Exhibit 4.)

The average state government job in Alaska paid \$59,469 in 2018, ranking 18th among states and slightly below the nationwide average of \$60,751. California’s state government jobs paid the most at more than \$80,000 while Missouri’s and West Virginia’s paid the least at around \$40,000 per year.

States’ politics appear to play more of a role in wages than in job numbers, as the six states with the highest state government wages — California, New Jersey, Rhode Island, Connecticut, Massachusetts, and New

York — all voted for Democrats in the last four presidential elections.

The pattern is less clear at the low end, though, mostly because the third-lowest-paying state for state government state, Maine, is solidly blue. Otherwise, Missouri, West Virginia, Arkansas, Idaho, and Mississippi — the other lowest-paying states — are red.

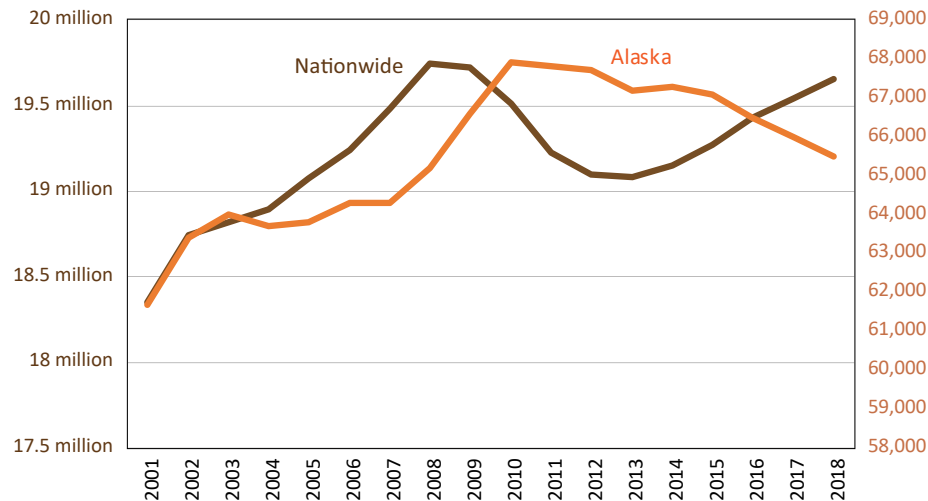
Government wages appear to be driven by a number of factors, though, with cost of living and private sector wages in the state being most relevant.

Local government jobs in Alaska paid an average of \$51,350 in 2018, which ranked 16th. Generally, local government jobs require slightly less education and

5

Alaska's Government Jobs On Long Decline

STATE AND LOCAL, COMPARED TO U.S., 2001 TO 2018



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

training than jobs in state government.

At the top for local government was Hawaii at nearly \$71,000. States with high state government wages tend to also have high local government wages, although a few exceptions were North Carolina and Florida, both of which had relatively low state government wages but higher-than-average local government wages.

Alaska's government pattern diverged from the nation's

The strength of states' economies has played a strong role in how their government job numbers have risen and fallen since 2001. Nationally, state and local government employment grew strongly from 2001 to 2008 until the deep national recession hit state and local revenues hard. Job numbers fell sharply from 2008 to 2013. (See Exhibit 5.)

Over the last five years, the national numbers have recovered nearly all of that lost ground. Still, over the past two decades, the nation's population has grown twice as fast as state and local government employment. The U.S. population grew 15 percent from 2001 to 2018 while state and local government employ-

ment grew 7 percent.

Alaska's pattern has been quite different. Alaska's state and local government employment grew more slowly than it did nationwide from 2002 to 2007, then picked up speed over the next three years, primarily due to historically high oil revenues.

Then, in 2010, Alaska's government job numbers began falling as Alaska struggled with budget deficits and dramatically lower oil revenue.

Overall, the state's population grew more than 16 percent from 2001-2018, and government jobs grew by about 6 percent.

Alaska still has more government per capita than the nation as a whole, but we have less than our closest peer states, Wyoming and North Dakota. We also don't stand out from other states once population and geographic size are taken into account. Whether Alaska still has too many government jobs is a policy question rather than something these numbers alone can determine, but it's clear that Alaska has become considerably leaner over the last eight years.

Dan Robinson is the chief of Research and Analysis. Reach him in Juneau at (907) 465-6040 or dan.robinson@alaska.gov.

Alaska's Labor Force Participation Decline

What this rate and other economic indicators combined show

By **LENNON WELLER**

The labor force participation rate tells us what percentage of the working-age population — ages 16 and older — is either working or actively looking for work. While we don't often hear about this economic indicator, it sheds light on a number of trends, such as a population's capacity to produce goods and services and the supply of available workers.

Alaska's labor force participation rate has declined substantially in recent years. The rate can change for a range of complicated reasons, some of which we will explain here. We will also take a look at the declines in the unemployment rate and our employment-to-population ratio — concurrent declines that might seem counter-intuitive — and what these measures suggest about Alaska's economy.

The size of the labor force has declined in recent years

Alaska's labor force peaked in November 2011 at 366,844 people, meaning that many Alaskans 16 or older were employed or looking for a job. As of July 2019, the labor force had shrunk to 351,410.

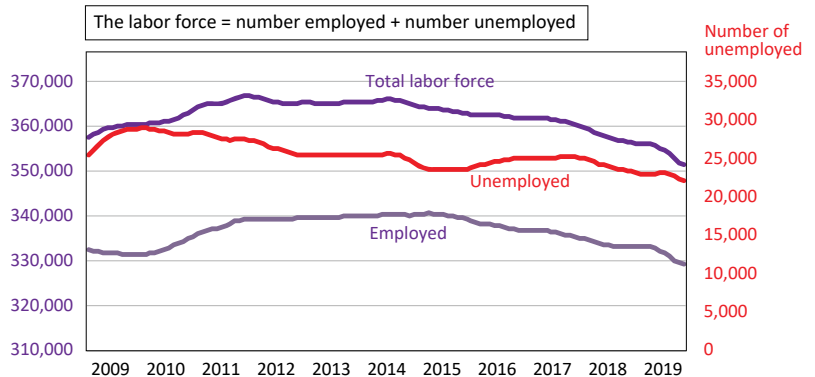
More than 15,400 people have dropped out of Alaska's labor force since November 2011. People leave the labor force for a number of reasons, including retirement, leaving the state, going to school, caring for family members, or giving up on finding work.

It's important to look at the makeup of the labor force

1

Labor Force and Its Components Down

NUMBER OF ALASKANS WORKING OR LOOKING, 2009 TO 2019



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

as well, keeping it mind it includes those who are unemployed. The labor force *decline* over that period was made up of 10,045 fewer people working and 5,389 fewer people looking for work. (See Exhibit 1.)

At the same time, the unemployment rate decreased by more than a full percentage point, from 7.5 percent to 6.3 percent. Given the decrease in the size of the labor force, this suggests people who lost their jobs have been more likely to simply leave the labor force altogether than to look for new jobs in Alaska.

Two declining rates show relatively fewer people working

In addition to the labor force shrinking in size, Alaska's labor force participation rate has declined, and so has our employment-to-population ratio. (See exhibits 2 and 3.) These two measures identify a state's overall ability

to support its population and its potential for economic growth.

While the total number of jobs in the state is an important measure of economic health, so are the numbers of people working or looking, and the size of the population they support. While there's no ideal employment-to-population ratio, in theory, more people working relative to the size of the population leads to greater wealth. A lower employment-to-population ratio suggests a greater burden of support on those working and less ability to meet a population's needs.

As of July 2019, Alaska's labor force participation rate was 61.8 percent, down from 68.2 percent in November 2011. The employment-to-population ratio was 57.9 percent, down from 63.4 percent.

The comparable national rates were 62.9 percent and 60.6 percent in July, respectively.

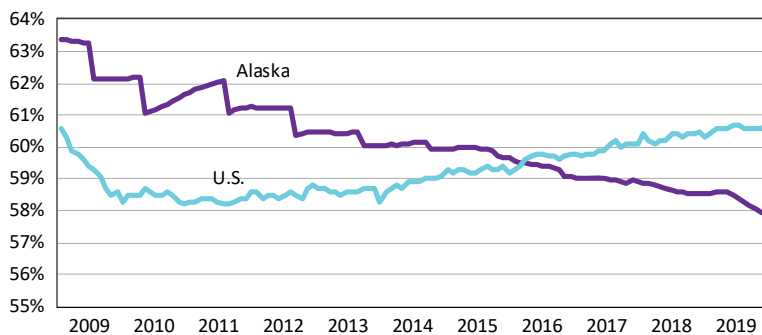
Alaska's rates moving in opposite direction from the nation's

Labor force participation rates had been declining in Alaska and nationally for years, driven by the same population aging trend, but the U.S. rate stopped dropping in 2015 while Alaska's continued to decline.

Alaska's employment-to-population ratio has also been on a long downward trend, finally falling below the nation's in 2015. Meanwhile, the nation's employment-to-population ratio has been on a slow and steady climb for much of the past decade after dropping during the U.S. recession.

3 Employment-to-Population Ratio Falls

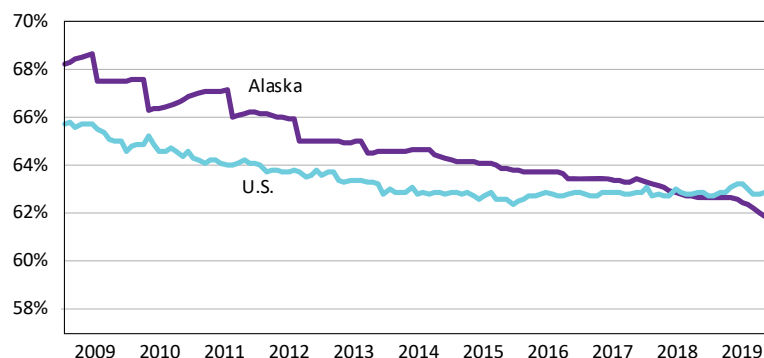
ALASKA AND U.S., 2009 TO 2019



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

2 Participation Rate Drops Below Nation's

ALASKA, U.S. LABOR FORCE PARTICIPATION RATES, 2009-19



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

Alaska has historically been well above the nation for both of these rates. Much of our past economic activity was project-dependent (e.g., oil and gas, hard rock mining, timber, and fishing), meaning people moving to the state were typically individuals filling a job rather than families relocating. In other words, in the past, Alaska was mainly workers — but as we began to resemble the rest of the country, with more families moving into larger population centers, Alaska's rates started to decline, narrowing the gap.

What causes changes in labor force participation rates

In general, when the demand for workers contracts, employment falls in the short-term and the unemployment rate rises. This doesn't change the labor force participation rate, but rather the composition of the labor force: The number of people in the labor force remains the same but the number employed falls and the number unemployed rises.

Longer term, however, if the slump persists, people can become discouraged about their job prospects and stop looking. They may retire, leave the state, or just stop searching. Regardless, the labor force participation rate declines.

Another factor that can shift the labor force participation rate is demographics. As a population's age structure changes, so too does the availability of people who can work.

An aging population is the trend

nationally as well as in Alaska, as the large baby boom generation reaches retirement age, so the labor force participation rate decreased as older people began to retire in greater numbers than the younger people entering the labor force to replace them.

This trend will continue well into the future. The percentage of Alaskans who are 65-plus has increased from 9.1 percent of the population (16 and older) in 2009 to 13 percent in 2017 and is projected to reach 17 percent by 2030. This factor on its own would decrease the labor force participation rate, but it's not the whole story.

Younger people participating less, and we don't yet know why

Decreases in two other age groups in Alaska, both in numbers and in their rates of participation, are exacerbating the aging-related decline in labor force participation rates.

The downward trend has been most pronounced among 16-to-19-year-olds. Alaska has increasingly fewer of them, and they're also less likely to participate in the labor force.

Alaska's population ages 16 to 19 decreased from 43,369 to 37,453 between 2011 and 2017. At the same time, their labor force participation rate dropped from 50.7 percent to 42.5 percent.

The other key age group, which is more central to our current labor force figures, is those between 45 and 54. Alaska now has fewer middle-aged workers as well; this group declined from 106,926 to 96,077, and their labor force participation rate declined from 82.5 percent to 81.9 percent. While that may not seem like a significant drop, any decline in the participation rate of a prime-working-age group is noteworthy.

The declines among younger groups suggest a combination of factors beyond demographics are driving this trend. We don't yet understand why younger groups are participating less, and their changing behavior is an area ripe for future research.

Older people are working more, but this isn't sustainable

For a long time, older people have buffered what would

For a long time, older people have buffered what would otherwise have been a steeper fall in the labor force and the participation rate, because they are working longer than past generations. But working older can only go so far, so this buffer isn't sustainable.

otherwise have been a steeper fall in the labor force and the participation rate, because they are working longer than past generations, whether by choice or economic necessity.

Among prime-age working age adults (25 to 64), it's those at the oldest end of the spectrum (55

to 64) who have been making up for some loss in the younger groups, and particularly the middle-aged.

But working older can only go so far, so this buffer isn't sustainable. In the not-too-distant future, this mitigating factor will disappear and, if nothing else changes, the labor force participation rate will fall even lower.

How the unemployment rate decline factors in

The seasonally adjusted Alaska unemployment rate has steadily fallen from around 8 percent in 2009 to 6.2 percent as of August 2019. While that might seem positive on its face, as decreases in the unemployment rate are generally seen as desirable and increases undesirable, the unemployment rate can change for a range of reasons.

If the unemployment rate rises because people are losing their jobs when they want to work, that's an obvious negative. But a rising unemployment rate can be positive if it's caused by more people entering the labor market looking for a job.

Similarly, a falling unemployment rate can be a good sign if it means more people who want jobs are getting them. But it's important to remember the unemployment rate is calculated only from the labor force, so if people stop looking for a job, retire, or move away, they are no longer figured in to the unemployment rate. In this case, the unemployment rate decrease might not be a positive sign.

The point is that the unemployment rate only tells part of the story; its components are just as important. In Alaska's case, a shrinking labor force and relatively fewer people engaging in the labor force for multiple reasons, some of which aren't yet clear, suggests we should be cautious about assuming the declining unemployment rate is a positive sign.

Lennon Weller is an economist in Juneau. Reach him at (907) 465-4507 or lennon.weller@alaska.gov.

Mythbusting Alaska's Boom-Bust Reputation

We've had just one true statewide boom-bust since 1959

By NEAL FRIED

Alaska's past has been marked by a number of booms and busts.

Nome's population boomed from just a handful of people to more than 20,000 during the gold rush that began in 1898. By 1920, the city's population had fallen to less than 1,000.

Kodiak had its own famous boom and bust in the 1970s when its king crab fishery's value soared from \$25 million to \$232 million in just nine years. (In today's dollars, that would have been an increase from \$137 million to \$637 million.) In some years, the value of Kodiak's king crab fishery rivaled the state's entire salmon fishery. By the early 1980s, the fishery had evaporated because the crabs didn't return, for reasons that remain unclear.

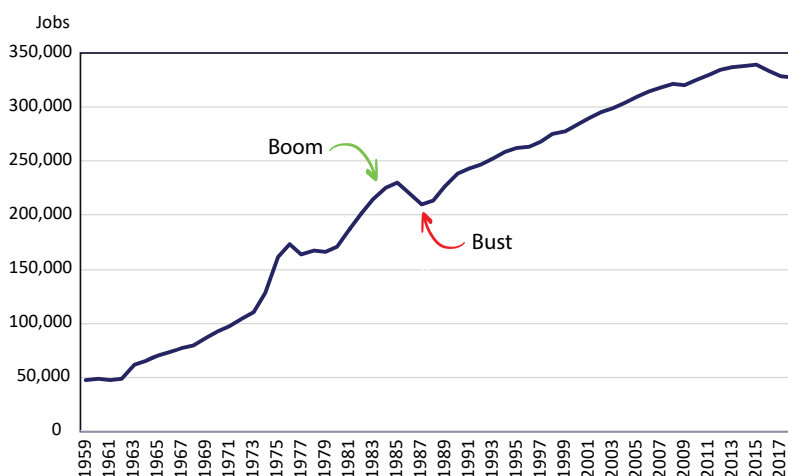
Southeast Alaska's timber industry also had a boom and bust cycle, although on a more drawn-out timeline, that culminated with the closure of large, high-paying pulp mill operations in Sitka in 1994 and Ketchikan in 1997.

Over Alaska's history, fur, fish, minerals, and timber have all taken turns being economically hot and then cold. So even before oil made a splashy appearance in Alaska with its high-dollar returns and dramatic price volatility, the state had acquired a reputation as having a boom and bust economy. But to the extent booms and busts are defined by big swings in job numbers, it's a myth that Alaska's economy has earned that reputation during its post-statehood era.

Over the past 60 years, Alaska's economy has only had

1 The '80s Recession Was a Classic Cycle

ALASKA'S TOTAL EMPLOYMENT, 1959 TO 2018



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

a true boom-bust cycle once: between 1980 and 1987. Otherwise, we've sustained long stretches of mostly modest and uninterrupted job growth, including a remarkable 27 years from 1988 to 2015 with just a slight dip in job numbers in 2009.

Alaska has had fewer downturns than the nation

Since statehood in 1959, Alaska has weathered four recessions, defined as at least three straight quarters of employment losses. Over that same period, the nation recorded six recessions. (For more details, see the February 2016 issue of *Alaska Economic Trends*.)

Alaska's first recession hit in 1976 with the completion of the Trans-Alaska Oil Pipeline, and it followed a major boom. Employment skyrocketed 58 percent between

1973 and 1976, the population grew by 70,000, and total income jumped from \$2.5 billion to \$4.9 billion.

In late 1976 and 1977, more than 10,000 construction jobs ended and record numbers of people left the state. (See Exhibit 2.) While it looked like a classic boom-bust, two big things set it apart. First, we knew it was coming. Most of these jobs were temporary, set to disappear when Alaska's largest-ever project was complete. Second, these losses were narrow. Most of the economy continued to grow and total income didn't drop. Employment and the population decreased for just over a year and then resumed growing.

Two of the other three recessions didn't fit the pattern, either. In these cases, neither followed a boom.

The first, in 2009, lasted only three quarters, during which the state lost just half a percent of its jobs and didn't lose population.

The most recent state recession, which began in late 2015 and lasted through 2018, was preceded by several years of anemic job growth. From 2013 through 2015, employment grew by 0.4 percent or less a year, and by the time the recession hit in late 2015, we had already been losing residents to net migration for a few years.

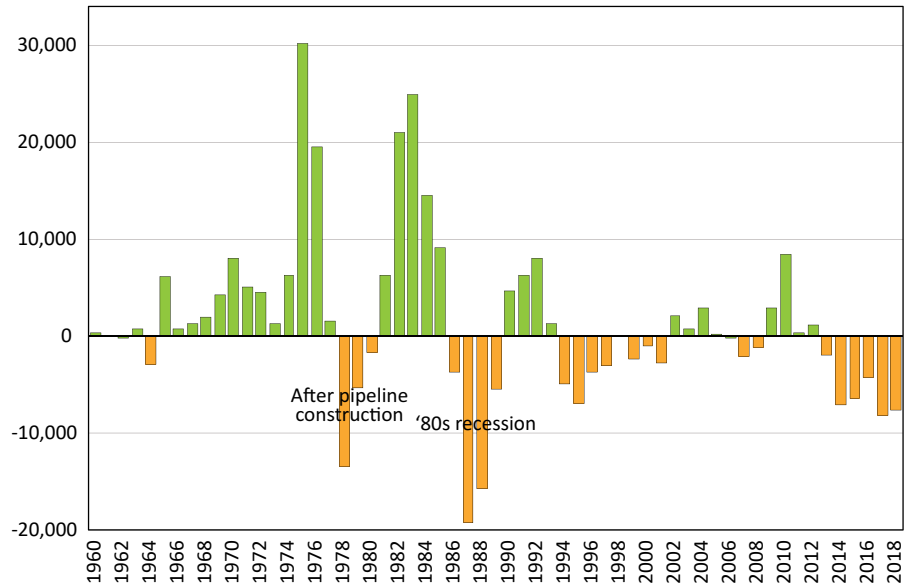
Our one boom-bust since '59 was major

Only one recession in Alaska history was a classic boom-bust, and it's deeply etched into Alaska's economic history, although the memories are fading.

Most Alaskans either weren't here in the 1980s or are too young to remember them. You would need to be at least 50 years old to remember that recession well, although people somewhat younger might recall the childhood trauma of being uprooted after their families lost their homes. Nearly every person who lived through it has a story, as it represented a period of skyrocket-

2 Alaska's Net Migration Gains and Losses

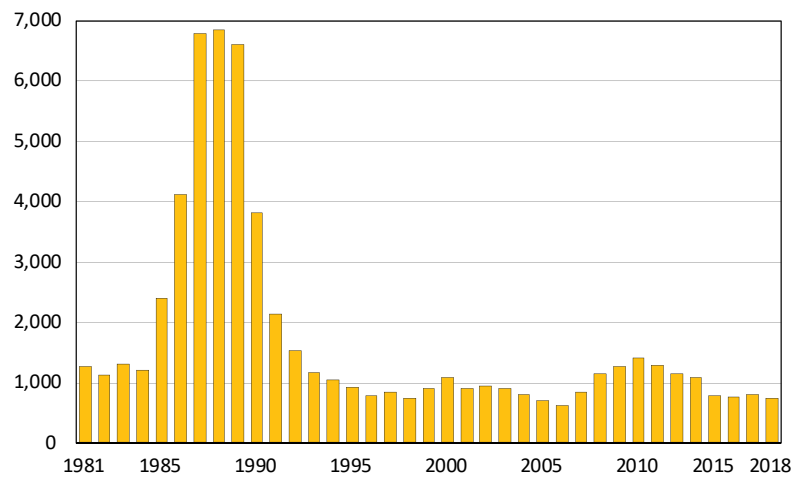
IN-MOVERS MINUS OUT-MOVERS, 1960 TO 2018



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

3 Foreclosures Skyrocketed in the '80s

BY YEAR, 1981 TO 2018



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

ing economic growth followed by a crash so hard it caused "economic PTSD" for years.

Between 1980 and 1985, high oil prices, juiced by the growing volume of oil flowing from the new 48-

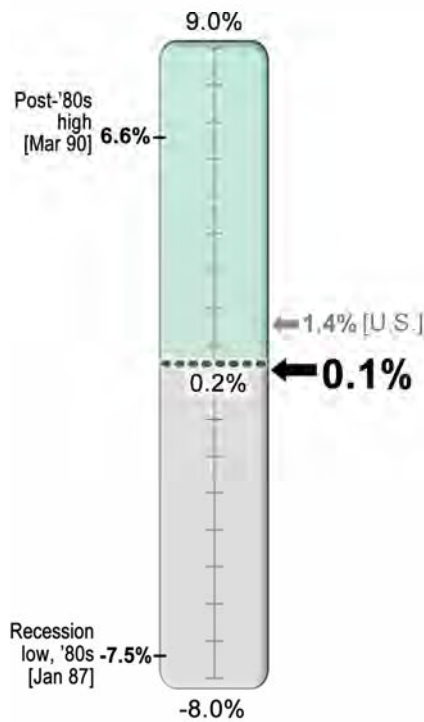
Continued on page 18

Gauging Alaska's Economy



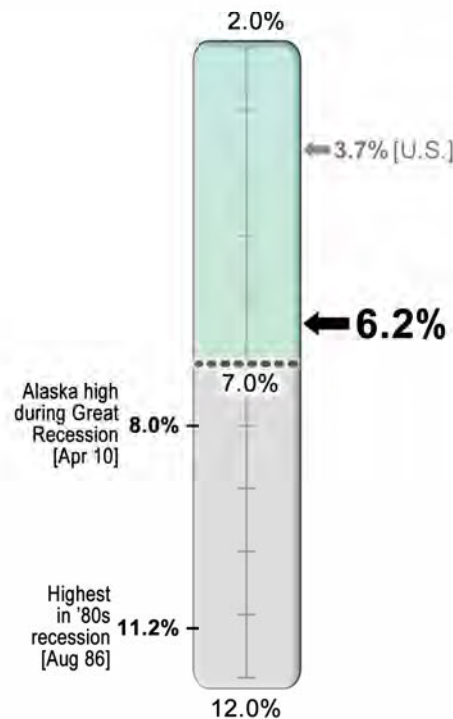
Job Growth

August 2019
Over-the-year percent change



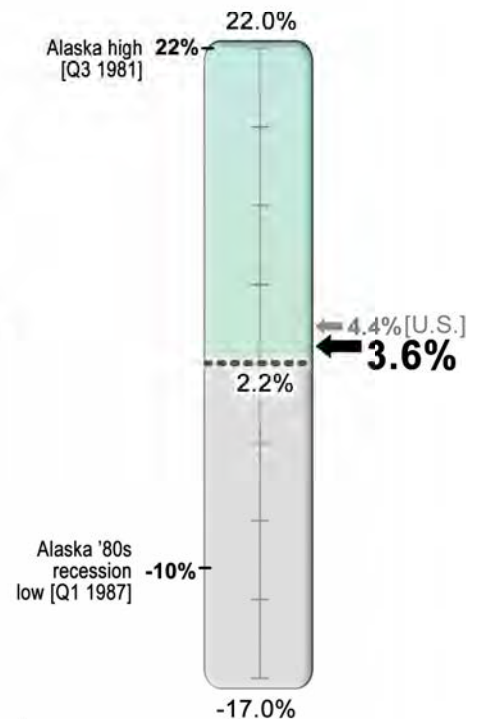
Unemployment Rate

August 2019
Seasonally adjusted



Wage Growth

1st Quarter 2019
Over-the-year percent change

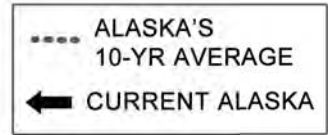


- The state has registered over-the-year job gains for 11 straight months after losing jobs for the prior 36 months.
- The gains are small so far and almost disappeared in August.
- U.S. job growth remains stable and has been positive since 2010, with the strongest growth in 2015.

- Until April, Alaska's seasonally adjusted rate had spent nearly a year at 6.5 percent.
- Unemployment rates are complicated economic measures and generally less telling at the state level than job or wage growth as indicators of broad economic health.

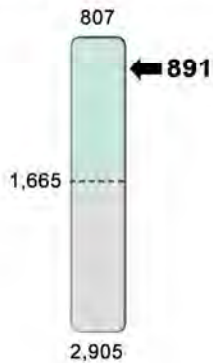
- Wages increased for the sixth straight quarter, and the strongest growth over that period was in 4th quarter 2018.
- Alaska's wage growth rate was slightly below the nation's, but both remained strong.

Gauging Alaska's Economy



Initial Claims

Unemployment, week ending August 31, 2019†

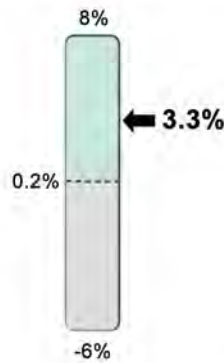


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

† Four-week moving average ending with the specified week

GDP Growth

1st Quarter 2019
Over-the-year percent change*

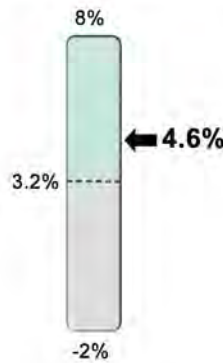


➤ Gross domestic product is the value of the goods and services a state produces. Alaska's GDP has grown for the last 10 quarters after declining for 15 out of the prior 16.

*In current dollars

Personal Income Growth

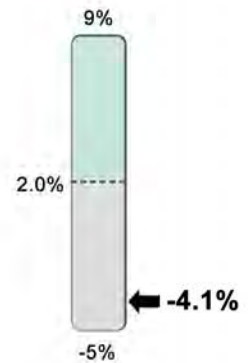
2nd Quarter 2019
Over-the-year percent change



➤ Personal income includes wages as well as transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. Growth has resumed and is above the 10-year average.

Change in Home Prices

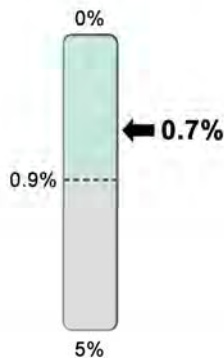
Single-family, 1st Qtr 2019
Over-the-year percent change



➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

Foreclosure Rate

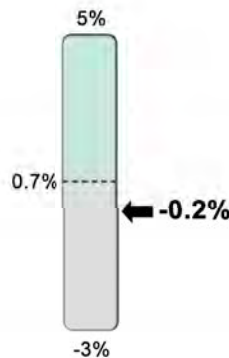
4th Quarter 2018



➤ Foreclosure rates remain very low, highlighting how different the state's recent recession was from the '80s recession when foreclosure rates exceeded 10 percent.

Population Growth

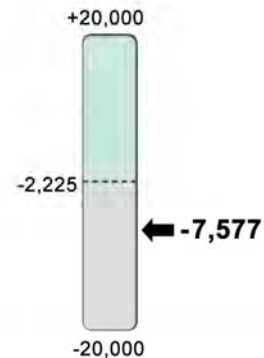
2017 to 2018



➤ The state's population has remained mostly stable during the state's recession, although 2018 was only the second year of population declines since 1988.

Net Migration

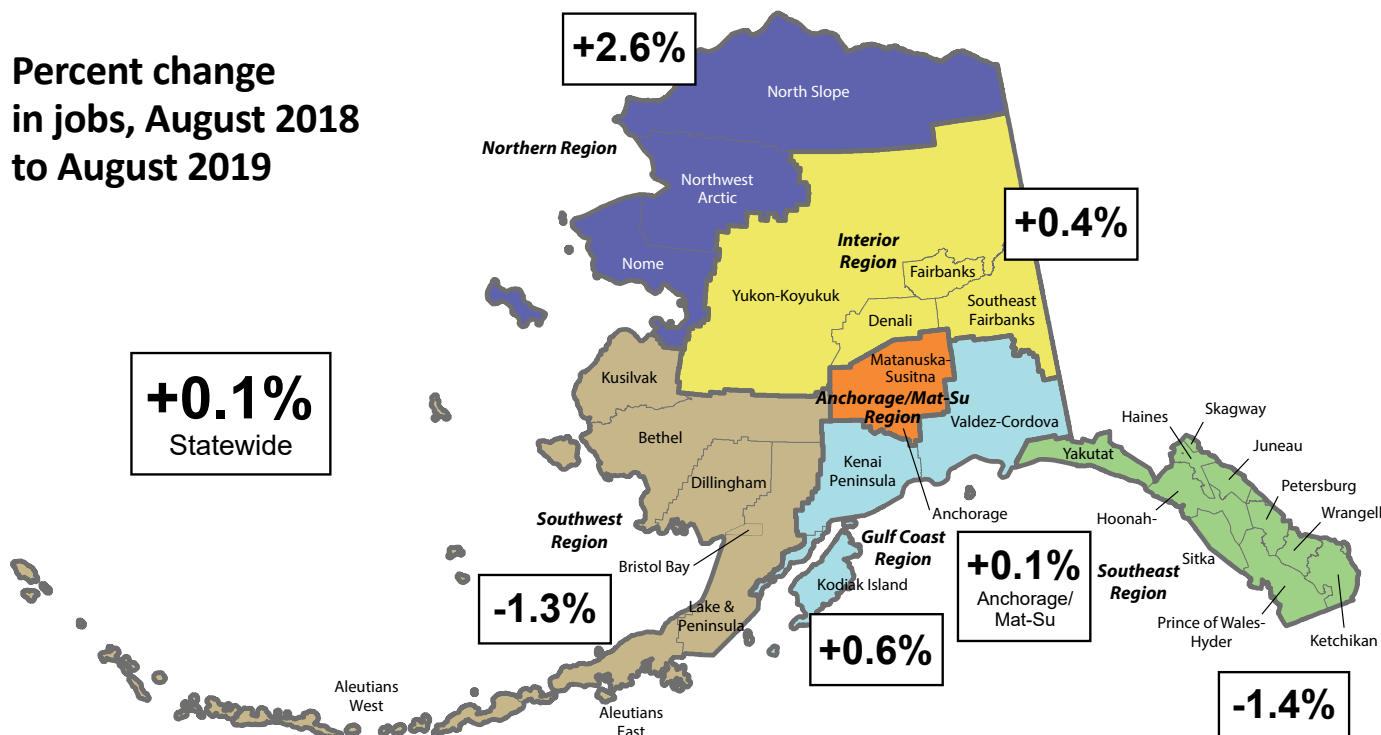
2017 to 2018



➤ The state had net migration losses for the sixth consecutive year in 2018. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, August 2018 to August 2019



Unemployment Rates

Seasonally adjusted

Not seasonally adjusted

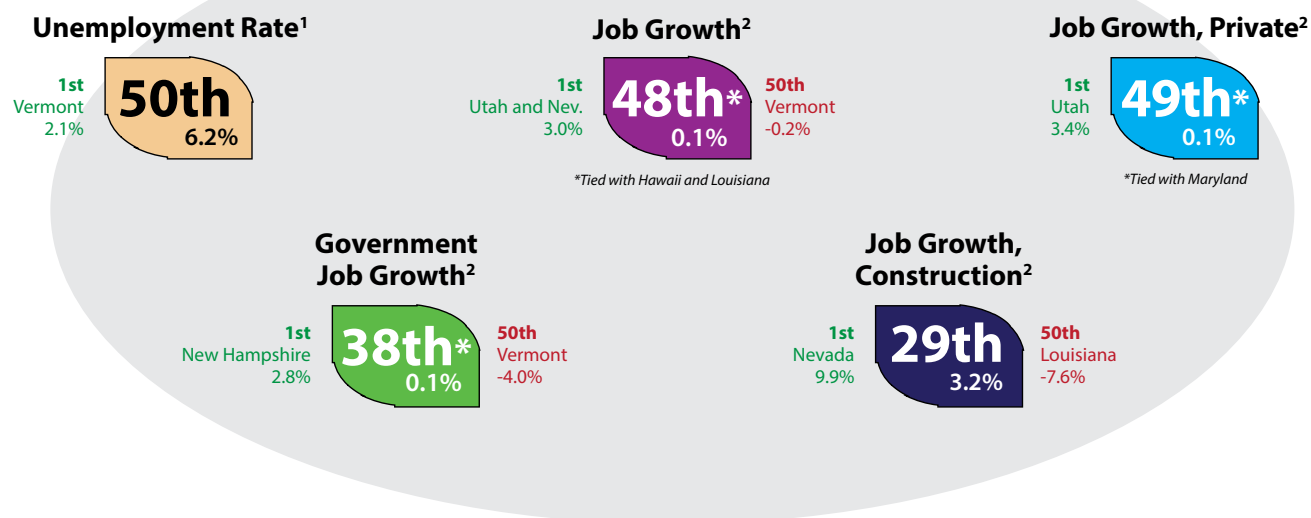
	Prelim.	Revised	
	08/19	07/19	08/18
United States	3.7	3.7	3.9
Alaska	6.3	6.4	6.6

	Prelim.	Revised	
	08/19	07/19	08/18
United States	4.0	3.8	4.1
Alaska	5.5	6.2	6.0

Regional, not seasonally adjusted

	Prelim.	Revised			Prelim.	Revised			Prelim.	Revised	
	08/19	07/19	08/18		08/19	07/19	08/18		08/19	07/19	08/18
Interior Region	4.9	5.4	5.2	Southwest Region	9.3	8.9	9.4	Southeast Region	4.5	4.7	4.4
Denali Borough	3.2	3.6	3.0	Aleutians East Borough	2.0	2.0	1.9	Haines Borough	4.9	4.8	5.5
Fairbanks N Star Borough	4.5	4.8	4.7	Aleutians West Census Area	2.6	2.7	2.9	Hoonah-Angoon Census Area	6.1	6.9	7.0
Southeast Fairbanks Census Area	6.9	8.1	7.6	Bethel Census Area	13.7	13.4	13.6	Juneau, City and Borough	3.8	3.9	3.6
Yukon-Koyukuk Census Area	11.7	14.1	12.7	Bristol Bay Borough	3.9	1.6	3.4	Ketchikan Gateway Borough	4.5	4.8	4.4
Northern Region	10.1	11.4	10.7	Dillingham Census Area	6.8	5.9	6.5	Petersburg Borough	6.8	6.6	6.2
Nome Census Area	10.3	11.9	11.5	Kusilvak Census Area	18.6	22.7	19.4	Prince of Wales-Hyder Census Area	8.1	9.5	8.7
North Slope Borough	6.7	7.1	7.1	Lake and Peninsula Borough	7.6	7.4	9.4	Sitka, City and Borough	3.4	3.5	3.2
Northwest Arctic Borough	13.6	15.5	13.8	Gulf Coast Region	4.9	5.1	5.6	Skagway, Municipality	2.6	2.7	2.8
Anchorage/Mat-Su Region	5.0	5.1	5.4	Kenai Peninsula Borough	5.3	5.4	6.0	Wrangell, City and Borough	5.9	6.1	5.2
Anchorage, Municipality	4.7	4.7	5.0	Kodiak Island Borough	4.0	4.1	4.8	Yakutat, City and Borough	6.0	5.4	6.8
Mat-Su Borough	5.9	6.5	6.6	Valdez-Cordova Census Area	4.3	4.5	4.3				

How Alaska Ranks



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹August seasonally adjusted unemployment rates

²August employment, over-the-year percent change

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

Other Economic Indicators

	Current		Year ago		Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	228.858	1st half 2019	223.099		+2.6%
Commodity prices					
Crude oil, Alaska North Slope,* per barrel	\$61.14	August 2019	\$73.82		-17.18%
Natural gas, residential, per thousand cubic feet	\$13.84	June 2019	\$12.73		+8.72%
Gold, per oz. COMEX	\$1,525.30	9/23/2019	\$1,204.40		+26.64%
Silver, per oz. COMEX	\$18.46	9/23/2019	\$14.34		+28.73%
Copper, per lb. COMEX	\$2.58	9/23/2019	\$2.84		-9.01%
Zinc, per MT	\$2,305.00	9/20/2019	\$2,564.00		-10.10%
Lead, per lb.	\$0.95	9/23/2019	\$0.93		+2.81%
Bankruptcies					
	106	Q2 2019	105		+0.95%
Business	9	Q2 2019	6		+50%
Personal	97	Q2 2019	99		-2.02%
Unemployment insurance claims					
Initial filings	3,431	August 2019	4,244		-19.16%
Continued filings	20,335	August 2019	24,027		-15.37%
Claimant count	5,617	August 2019	6,133		-8.41%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; Kitco; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

BOOM-BUST

Continued from page 13

inch oil pipeline, introduced a new era of wealth for Alaska. For many, confidence in Alaska's future was set because it felt like a permanent change. The world needed more oil, Alaska had a lot of it, and many thought prices would surely continue to soar.

Alaska saw its oil income grow from \$907 million in 1979 to \$4.8 billion in 1982. (In today's dollars, that would be \$2.6 billion to \$11.1 billion.) The state's gross domestic product more than doubled over those years. And in the first half of the 1980s, the population grew by 125,000. (See Exhibit 2 on page 13.)

It was the largest five-year population increase in Alaska's history, and 60 percent of those gains came from migration. A deep national recession drove even more new residents to the state to catch the rising tide of Alaska's economic expansion. Between 1980 and 1985, employment grew by 60,000 and in nearly every industry.

In 1983, Anchorage's residential building permits reached 9,083. In contrast, last year just 1,659 building permits were issued in the entire state and 410 in Anchorage, yet the state's population is nearly 50 percent bigger than it was in 1983.

Hindsight shows those numbers were setting the economy up for a classic real estate bubble — but a bust was in nobody's forecast.

The boom started to disappear as quickly as it came. The economy showed traces of weakness even before the price of oil tanked, as residential and commercial real estate inventory had outpaced demand.

When oil prices fell, the spigot that flooded the state's coffers slowed to a trickle, and spending was slashed. In 1986 and 1987, Alaska lost more than 20,000 jobs. Few industries or regions escaped the hit.

The unemployment rate hit a historical high of 11.2 percent. Between 1985 and 1989, more than 44,000 people left Alaska than arrived. In terms of net migration loss, 1987 and 1988 were record years. The state was feeling pretty vacant.

The collapsing real estate market opened a floodgate of foreclosures, which rose from 1,200 in 1984 to north of 6,500 each year from 1987 through 1989. In contrast, this now-much-larger state recorded just 734 foreclosures in 2018. (See Exhibit 3 on page 13.)

The real estate numbers in the late 1980s were stark:

- From 1985 to 1990, 15 banks, credit unions, and savings and loans in Alaska closed or were forced to consolidate.

What 'boom-bust' means

"Boom-bust" is not a technical term, though it has some obvious similarities with recessions and other terms used for economic downturns.

Most would agree a boom-bust period is characterized by dramatic swings in economic activity, with overconfidence and overinvestment followed by an unsettling and exaggerated loss of confidence in the future after some precipitating event sends things spiraling downward. The upswing is marked by financial windfalls and the downswing comes as a surprise, inflicting major damage on the economy where large amounts of wealth evaporate.

The recent U.S. Great Recession (late 2007-2009) is a good example of a large-scale boom-bust. States that were hit especially hard — Arizona, Florida, and Nevada, for example — suffered employment, wealth, and real estate busts that looked a lot like Alaska's in the 1980s.

- Much of the excess new inventory didn't fill up for another decade.
- The price to rent class A office space in Anchorage fell from \$1.75 per square foot in 1984 to 45 cents in 1988.
- The number of real estate agents in Anchorage plummeted from 2,222 in 1984 to 732 in 1988.
- The average price of an Anchorage condo dropped from \$100,000 in 1985 to \$34,000 in 1989.

While boom-busts don't define us, we're still subject to volatility

The fact that Alaska's job counts show fewer boom-bust periods since statehood than the nation as a whole should not be misinterpreted to mean the state no longer depends heavily on oil or that we won't ever boom-bust again. Oil dependence continues to carry enormous potential for volatility. By other economic measures, such as gross domestic product, Alaska has had more dramatic swings than the nation or most other states.

But it's useful to anyone trying to understand Alaska's economy to recognize that true boom-busts have actually been rare events in Alaska since statehood rather than what defines the state's economy.

Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

EMPLOYER RESOURCES

GEDWorks™ program helps workers get their GEDs

Employers across Alaska are helping their workers get a GED at no cost, which gives them the opportunity to gain the skills they need to succeed in the workplace and beyond.

One in five working adults does not have a high school diploma, and that number is often higher among those in entry-level frontline positions. National companies like Taco Bell, KFC, and Pizza Hut recognized this need and began offering their workers the opportunity to finish their high school education through the GEDWorks program.

Through a partnership with GED Testing Service, GEDWorks employers provide everything workers need to prepare for and earn their GED. Participants receive personalized coaching through a GEDWorks adviser, free GED tests, and practice tests and online study materials in English and Spanish.

More than 4,000 students have earned a GED through this program nationally, and program participants report greater job satisfaction and loyalty to their companies. Students who earn a GED also have the skills

and training to pursue further education and career training programs.

Employers have found that offering this opportunity has improved their retention and recruitment rates while building morale. Helping an employee earn a high school equivalency diploma also helps boost the state's pool of qualified workers. Right now, "middle-skill" jobs make up a large part of Alaska's employment, and an estimated 48 percent of all projected job openings through 2026 will require more than a high school diploma but less than a bachelor's degree. Employers who participate in the GEDWorks program have the opportunity to help close the skills gap and invest in Alaska's future.

Interested employers can contact Windy Swearingin at (907) 465-8714 or windy.swearingin@alaska.gov. To learn more about the GEDWorks program, visit <http://www.gedworks.com>.

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.

SAFETY MINUTE

Partnerships with Alaska Occupational Safety and Health

Partnership programs give Alaska employers the opportunity to work with Alaska Occupational Safety and Health, or AKOSH, to improve their workplace safety and health performance. The goals of an ongoing partnership with AKOSH include:

- Fewer accidents and related costs
- Increased productivity, with less down time and improved employee morale
- Better industry focus on the causes of workplace accidents
- Reduced worker's compensation costs and reportable injuries
- Teamwork and ongoing commitment between AKOSH, the employer, and employees to achieve safety and health goals

AKOSH has three types of partnership programs: Voluntary Protection Program (VPP), Safety and Health Achievement Recognition Program (SHARP), and Construction Health and Safety Excellence Program (CHASE).

VPP promotes worksite-based safety and health perfor-

mance. In VPP, a company's management, employees, and AKOSH work together to develop a comprehensive safety and health management system. Acceptance into the program demonstrates official recognition of employers and employees who have achieved exemplary occupational safety and health.

SHARP recognizes small employers who operate an exemplary safety and health management system. Through acceptance into SHARP, an employer is singled out as a model for worksite safety and health among their business peers.

CHASE is a program unique to Alaska that partners licensed Alaska construction contractors with AKOSH to reduce injuries, illnesses, and fatalities in the construction industry.

For more information on how to partner with AKOSH, visit <http://labor.alaska.gov/lss/oshhome.htm>.

Safety Minute is written by Consultation and Training at the Alaska Occupational Safety and Health Section of the department's Division of Labor Standards and Safety.

ALASKA ECONOMIC **TRENDS**

SEPTEMBER 2019



THE GENDER WAGE GAP

ALSO INSIDE

Anchorage's recovery behind statewide trend

FROM THE COMMISSIONER

September is Workforce Development Month

By Dr. Tamika L. Ledbetter, Commissioner

In 2018, the U.S. Senate passed a bipartisan resolution to designate September as National Workforce Development Month. The resolution encouraged states to promote workforce development initiatives and to recognize the crucial role they play in fueling local economies.

Through federal and state initiatives, programs and services are available to help build the labor force by strengthening workers in targeted populations that face various employment barriers. This funding provides skill-building and job training opportunities that lead Alaskans to sustainable employment, a living wage, and future wage progression.

While these programs help individuals and families, they also bolster local economies by providing workers who are better equipped, educated, and trained for current and future jobs. It's important to inform communities about the range of resources available, including business partnerships, available funding, and multiple training opportunities such as higher education, vocational and technical education, apprenticeships, on-the-job training, and more.

The Alaska Department of Labor and Workforce



Development is leading this charge to promote job growth and economic stability. The department is the lead agency implementing the state workforce development plan under the Workforce Investment and Opportunity Act, or WIOA, implemented in 2014.

As part of that effort, the department operates 14 one-stop job centers around the state, providing a range of services to job seekers and businesses at a single convenient location in each area.

WIOA reinforces the partnerships and strategies necessary for these job centers to provide quality career services, education and training, and the support necessary for Alaskans to secure good jobs and remain employed. WIOA also emphasizes the needs of employers by helping businesses find skilled workers and providing education and training for their current workers.

Contact Dr. Tamika L. Ledbetter, Commissioner, at (907) 465-2700 or commissioner.labor@alaska.gov.



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ON THE COVER:

This studio portrait of a young couple in Douglas was taken in the early 1900s. Photo courtesy of Ed Andrews Photo Collection, Alaska State Library

ALASKA
DEPARTMENT of LABOR
and WORKFORCE
DEVELOPMENT

Governor
Michael J. Dunleavy
Commissioner
Dr. Tamika L. Ledbetter

ALASKA ECONOMIC TRENDS

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Why Alaska job growth resumed
in 2018, but the city lags

18 GAUGING ALASKA'S ECONOMY

Trends is a nonpartisan, data-driven magazine
that covers a range of economic topics in Alaska.

ON THIS PAGE: The background image for 2019 is an aerial photo of rivers near Circle by Dr. Travis Nelson, who teaches at the Center for Pediatric Dentistry in Seattle. Nelson visited Alaska in May 2010 to provide dental care to children in Venetie, Circle, and Fort Yukon.

If you have questions or comments, contact editor Sara Whitney at sara.whitney@alaska.gov or (907) 465-6561.
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The Gender Wage Gap

How education affects difference in men's and women's wages

By **KARINNE WIEBOLD**

While women represent nearly half of Alaska's workers and hold more of the positions requiring higher education, they earn 72 percent of what men make, on average.

A number of factors influence the gender gap in wages, and many studies have tried to measure and explain them, but that type of analysis is outside this article's scope.

We've visited this issue a handful of times over the decades, most recently in March 2017 ("The gender gap: Women earn an average of 68 percent of what men make in Alaska"). Another article, in May 2016, looked at whether traditionally male and female occupations were becoming more integrated ("Gender and nontraditional work: Are men and women branching out, and is it paying off?").

This time, we're examining the levels of education Alaska's occupations typically require and how they affect what men and women earn.

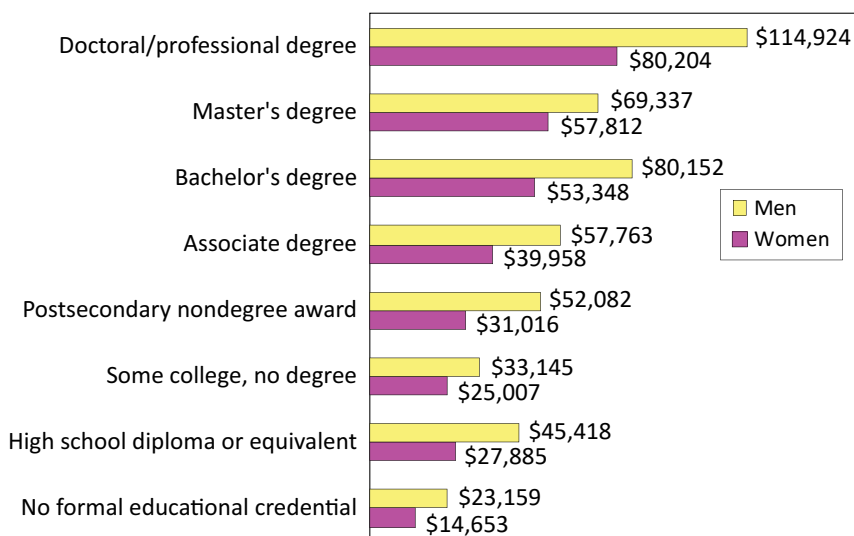
Men earn more at every level of education occupations require

Women make up a larger percentage of workers in occupations requiring additional education, especially in those that require any type of college degree. Thirty-nine percent of women who worked in 2017 held positions that required more than a high school diploma, but just 28 percent of men did.

In general, jobs requiring more education pay more, but the data clearly show that when men and women work in occupations that require a similar level of education, the gender wage gap does not disappear.

1 Men Earn More At Every Level

BY EDUCATION REQUIREMENT OF OCCUPATION, ALASKA, 2017



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

Men earn more than women at every educational level and in the vast majority of occupations, including some dominated by women. Women outnumber men nine to one as registered nurses, for example, but men make about 14 percent more. Still, the gender wage gap narrows as education increases, although not consistently.

Men are also disproportionately represented in certain occupations that pay well in Alaska despite not requiring much formal education. For example, men are much more likely than women to work in oil, mining, and construction, where workers often make higher-than-average salaries and don't need more than a high school education. (See the sidebar on page 6, on occupations' education requirements versus training requirements.)

Average wages for women ranged from nearly \$15,000 in 2017 for positions with no formal education requirements to just over \$80,000 when a doctoral or professional degree was required. Average wages for men followed the same pattern, but ranged

from \$23,000 to \$115,000.

Education isn't the only factor in wages

How much workers are paid varies on an individual basis as well as by occupation, and a number of factors besides education determine average pay.

While we expect a job requiring a master's degree to pay more than one that doesn't require a high school diploma, the type of work also affects the typical wage. Jobs with inherent risk, remote work sites, and challenging conditions, schedules, or shifts can drive up the average wage, even among similar jobs. For example, underwater welding pays more than standard welding. Likewise, a garbage collector might make more than a fast food worker, even though neither position requires graduating high school, because it's dirty and physically demanding work.

A number of high-paying jobs in Alaska with low educational requirements have these characteristics, such as remote work on the North Slope oil fields that requires unusual schedules such as two weeks on and two weeks off.

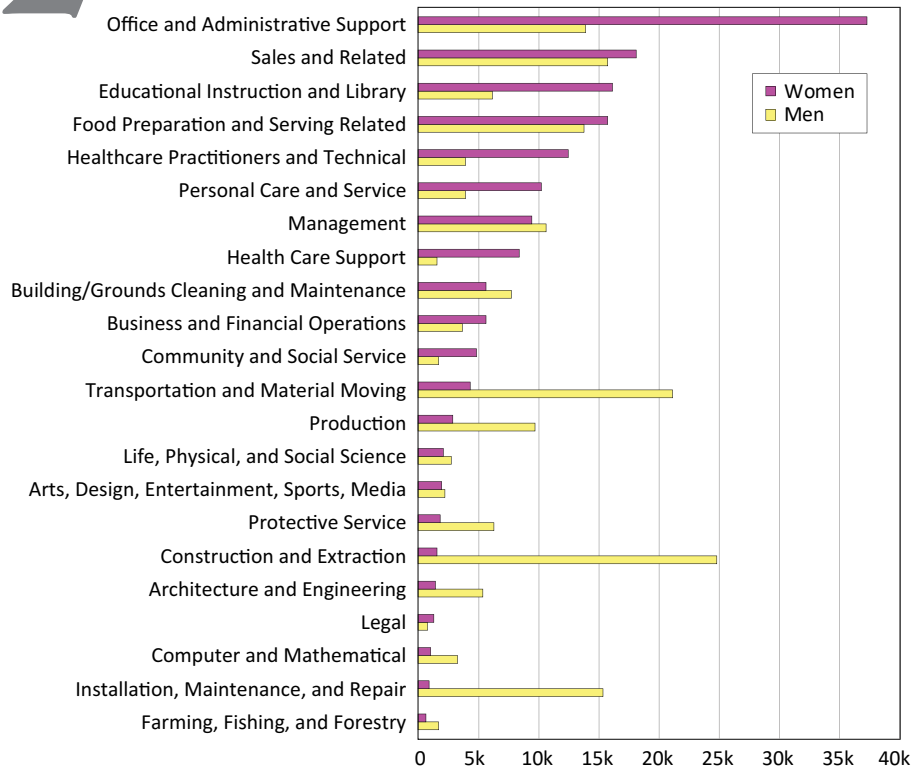
On an individual basis, a worker's job history, competence, hours worked, and negotiated starting pay also

affect wages — and some studies have shown men are more likely to negotiate when accepting an employment offer.

From here, we'll look closer at each level of educational requirements to see how women and men are repre-

2 Men and Women Choose Different Jobs

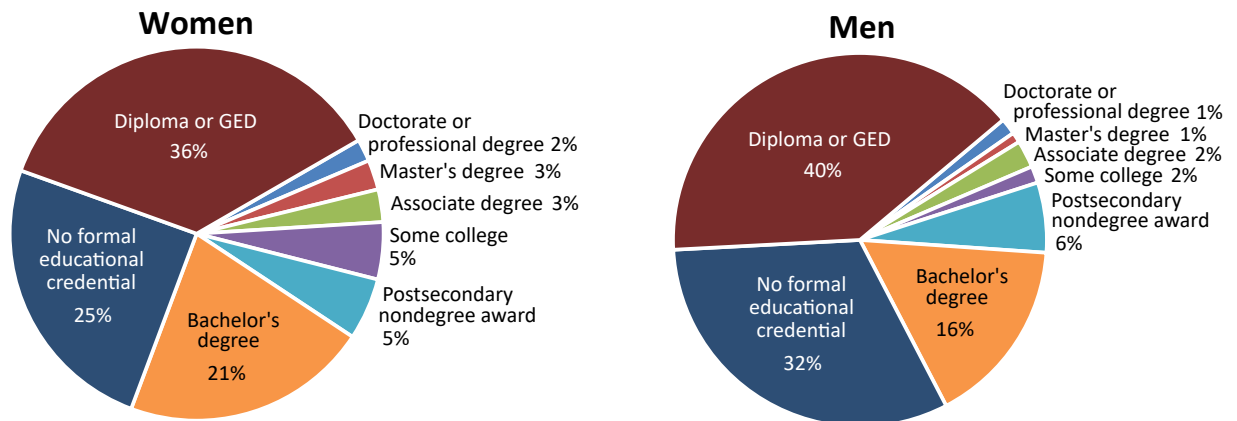
ALASKA OCCUPATIONS AND NUMBERS OF WORKERS, 2017



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

3 Women Hold Jobs With Higher Education Requirements

ALASKA, TYPICAL EDUCATIONAL REQUIREMENTS OF OCCUPATIONS WORKED, 2017



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

sented in these occupations and how they fare for wages.

We refer to women's average wages divided by men's as the earnings ratio. For example, the average wage for a retail salesman in 2017 was \$22,100 and the average wage for a woman in the same job was \$16,626, resulting in an earnings ratio of 75.2 percent.

It's important to note that this article determines education by what the occupation typically requires rather than the credentials workers actually have. For example, although retail sales positions don't typically require formal education, some of these workers have college degrees or other certifications.

Karinne Wiebold is an economist in Juneau. Reach her at (907) 465-6039 or karinne.wiebold@alaska.gov.

Training requirements are also important, but not included here

State and federal data sets classify every occupation by the level of education it requires and, independently, by its level of training. Each occupation is assigned the level of formal education typically required for hire at the entry level, ranging from "no formal education credential" to "doctoral or professional degree." Each occupation's training classification ranges from none to "long-term on-the-job training" and, for doctors, "internship/residency."

The separate categorization of education and training requirements can lead to misunderstandings, at the occupation level and also in interpreting education and training needs for the state. For example, electricians and plumbers require only a high school diploma, but both also require successful completion of an apprenticeship program.

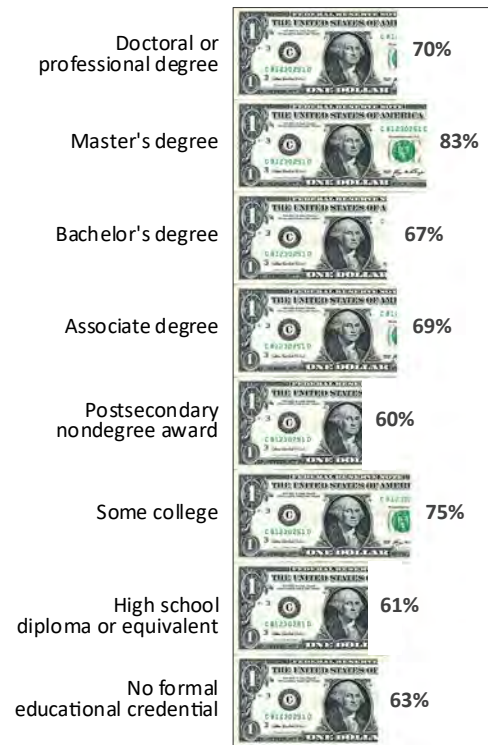
The distinction between education and training can also seem arbitrary or artificial for some occupations; for example, firefighters require an associate degree plus long-term on-the-job training while police officers require only a high school diploma and moderate on-the-job training.

Data showing Alaska has a large number of occupations that don't require formal education beyond high school doesn't mean those occupations don't require postsecondary training such as an apprenticeship, a certain number of training hours, or other specific training programs. The data shown here also shouldn't be interpreted to mean Alaska doesn't need more people with college degrees or that high school graduates are prepared for the workforce as soon as they graduate. The bulk of the occupations that don't require formal education beyond high school do require some type of postsecondary training.

4

Women's Average Wages As A Percent of Men's

RATIO BY EDUCATION REQUIREMENT, 2017



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

About the data

To produce the data in this article, we combined information from the quarterly reports nearly all Alaska employers are required to file under state unemployment insurance law with data from Permanent Fund Dividend applications. Matching the two allowed us to determine the gender and age of Alaska resident workers (using the PFD criteria for residency) as well as their earnings and occupations.

It isn't possible to determine whether workers are full-time or part-time, a major limitation in this article. The data also exclude most nonresidents, who are about 20 percent of the state's annual workforce, as well as the self-employed, federal civilian and military workers, and PFD applicants who didn't specify a gender.

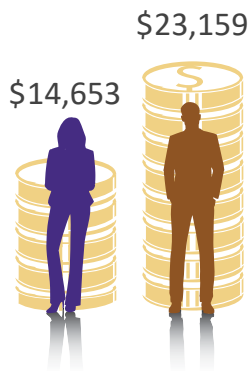
We considered only the occupation in which a worker made the most money during the year. A school teacher, for example, who made \$50,000 teaching and \$10,000 during the summer working as a construction laborer would be counted as a school teacher with wages of \$50,000.

Occupations With No Formal Education Requirements

Average wage: \$19,579

Women make about 63¢ on the dollar

63.3%

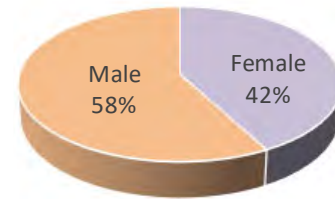


Occupations that don't require a high school diploma or GED make up the second-largest category in Alaska. This category encompasses a wide range of wages, from low-paying food service and retail jobs to high-paying oil and gas extraction jobs such as service unit operators, derrick operators, and rotary drill operators.

The types of jobs men and women choose heavily influence the earnings ratio in this category. In its nine highest-earning, male-dominated occupations, men earned \$165.7 million a year in 2017 but women, who worked in only six, earned just \$6.1 million.

These highest-paying occupations employed more than 2,100 workers, but less than 100 were women. While women in these jobs earned a higher average wage than the average for the category overall and had a high earnings ratio, they represented just 0.2 percent of all women working in jobs without any education requirements in 2017.

Total workers: 96,242



Total occupations 103

High-wage occupations (\$50k+)	9
Number of high-wage women	85
Number of high-wage men	2,058
High-wage women's average	\$71,564
High-wage men's average	\$80,497

The largest part of this category by far is the 62 occupations that pay less than \$20,000, representing nearly 74,000 workers. Half of these lowest-paid workers were women, and 91 percent of all women in this education category worked in the lowest-paid occupations in 2017, compared to 66 percent of all the men.

10 Largest Occupations for Women With No Formal Education Requirements, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Women	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Retail salespeople	\$282.6	14,785	55%	\$16,626	\$22,100	75%	35	34
Cashiers	\$120.9	8,052	65%	\$13,824	\$17,193	80%	35	33
Waiters and waitresses	\$72.9	4,386	71%	\$16,332	\$17,306	94%	33	33
Combined food prep/serving, incl fast food	\$58.0	5,050	56%	\$11,215	\$11,840	95%	29	28
Maids and housekeeping cleaners	\$56.5	3,482	77%	\$15,233	\$19,551	78%	39	41
Food preparation workers	\$59.2	4,965	51%	\$11,776	\$12,085	97%	30	28
Janitors/cleaners, exc maids/housekeepers	\$105.1	5,608	36%	\$16,023	\$20,232	79%	43	43
Counter attend, cafeteria/concession/coffee	\$22.5	2,196	79%	\$10,158	\$10,483	97%	25	26
Meat, poultry, and fish cutters and trimmers	\$69.2	4,378	34%	\$15,304	\$16,061	95%	44	43
Bartenders	\$22.8	1,465	69%	\$14,563	\$17,803	82%	40	39

10 Largest Occupations for Men With No Formal Education Requirements, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Men	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Retail salespeople	\$282.6	14,785	45%	\$16,626	\$22,100	75%	35	34
Construction laborers	\$154.3	5,431	90%	\$22,460	\$29,071	77%	35	36
Janitors/cleaners, exc maids/housekeepers	\$105.1	5,608	64%	\$16,023	\$20,232	79%	43	43
Laborers and freight, stock, mat movers, hand	\$92.4	4,148	87%	\$15,731	\$23,239	68%	34	36
Meat, poultry, and fish cutters and trimmers	\$69.2	4,378	66%	\$15,304	\$16,061	95%	44	43
Cashiers	\$120.9	8,052	35%	\$13,824	\$17,193	80%	35	33
Food preparation workers	\$59.2	4,965	49%	\$11,776	\$12,085	97%	30	28
Combined food prep/serving, incl fast food	\$58.0	5,050	44%	\$11,215	\$11,840	95%	29	28
Cooks, restaurant	\$41.8	2,499	79%	\$14,729	\$17,272	85%	35	36
Material moving workers, all other	\$60.8	1,623	92%	\$27,903	\$38,314	73%	37	40

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

Occupations That Require a High School Diploma or GED

Average wage: \$37,368

Women make about
61¢ on the dollar

61.4%



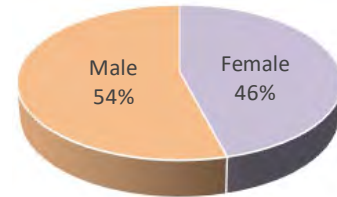
About 300 occupations in Alaska require a high school diploma or an equivalent, such as the GED, making this the largest educational requirement category. Common occupations include social and human service assistants, carpenters, and pharmacy technicians.

Nearly 129,000 Alaskans held these jobs in 2017, and nearly half were women.

As with the category requiring no formal education, this category includes a number of high-paying occupations, such as petroleum pump systems operators, production workers, and first-line supervisors of construction trades and extraction workers. Women represented a similarly tiny percentage in these three occupations, at 10 percent or less, and made less than the men.

Women working in jobs requiring a high school education are concentrated in office support jobs such as office

Total workers: 128,723



Total occupations 314

High-wage occupations (\$50k+)	83
Number of high-wage women	3,099
Number of high-wage men	24,035
High-wage women's average	\$49,397
High-wage men's average	\$69,173

and administrative support workers, office clerks, secretaries and administrative assistants, and receptionists and information clerks. Seventy-nine percent of these workers were women, and they earned slightly more than their male counterparts, at an average of \$29,100 compared to \$27,000.

10 Largest Occupations for Women That Require a High School Education, 2017

Occupation	Total Wages in Millions	Total Workers	Women	Percent Women	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Office and administrative support workers	\$219.3	7,885	5,633	71%	\$28,050	\$27,235	103%	37	33
Office clerks, general	\$152.4	5,579	4,246	76%	\$27,714	\$26,028	106%	40	36
Personal care aides	\$100.4	5,460	4,233	78%	\$17,683	\$20,801	85%	42	41
Secretaries/admin assts, exc legal/med/exec	\$97.6	3,404	2,996	88%	\$29,036	\$26,017	112%	42	36
Executive secretaries/exec admin assistants	\$115.6	3,120	2,696	86%	\$37,554	\$33,937	111%	44	39
Receptionists and information clerks	\$69.1	2,837	2,525	89%	\$24,793	\$20,685	120%	36	33
Customer service representatives	\$78.2	2,703	1,781	66%	\$28,548	\$29,633	96%	36	34
Child Care workers	\$23.2	1,901	1,689	89%	\$12,217	\$12,080	101%	33	29
1st-line supervisors of office/admin supt wkrs	\$94.3	2,070	1,489	72%	\$44,446	\$48,405	92%	43	43
Health Care support workers, all other	\$63.8	1,868	1,468	79%	\$31,938	\$42,352	75%	40	40

10 Largest Occupations for Men That Require a High School Education, 2017

Occupation	Total Wages in Millions	Total Workers	Men	Percent Men	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Operating engrs/other const equip operators	\$204.0	3,560	3,368	95%	\$40,834	\$58,233	70%	39	45
Maintenance and repair workers, general	\$134.0	3,283	3,080	94%	\$24,994	\$41,847	60%	41	44
Carpenters	\$108.8	2,900	2,843	98%	\$18,797	\$37,907	50%	36	41
Office and admin support workers, all other	\$219.3	7,885	2,252	29%	\$28,050	\$27,235	103%	37	33
Stock clerks and order fillers	\$58.6	2,801	2,032	73%	\$17,594	\$22,204	79%	36	35
Security guards	\$68.1	2,349	1,876	80%	\$20,847	\$31,071	67%	38	41
Transportation workers, all other	\$112.1	2,537	1,856	73%	\$29,004	\$49,764	58%	40	40
Electricians	\$117.7	1,879	1,811	96%	\$37,094	\$63,610	58%	37	41
Light truck or delivery services drivers	\$54.5	1,570	1,422	91%	\$24,890	\$35,758	70%	37	39
Sales and related workers, all other	\$57.9	2,255	1,347	60%	\$20,426	\$29,186	70%	37	36

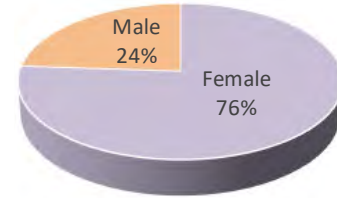
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Occupations That Require Some College (But No Degree)

Average wage: \$26,955
Women make about 75¢ on the dollar

Jobs that require a high school education plus some sort of postsecondary course or study (but no formal certification or award) is a small category of just five occupations, but it represents more than 10,000 workers in Alaska. Teacher assistants and accounting clerks are the most common examples.

Total workers: 10,611



75.4%



More than three-quarters of these workers were female in 2017, and their earnings ratio was higher than in any other educational category except master's degrees. Again, when women dominate an occupation, their average wages tend to be closer to equal, but men still almost always make more.

Total occupations	5
High-wage occupations (\$50k+)	0
Number of high-wage women	0
Number of high-wage men	0
High-wage women's average	\$0
High-wage men's average	\$0

Teacher assistants were the largest occupation, at 5,156 workers in 2017, of whom 83 percent were women. They earned slightly more than their male counterparts, at 101 percent, although wages were very low for both (\$16,872 and \$16,643, respectively).

Bookkeeping, accounting, and auditing clerks were the next largest group, at 4,218 workers in 2017, 85 percent of whom were women. Men outearned those women, but at an earnings ratio of 95 percent, which is far more equal than for most occupations.

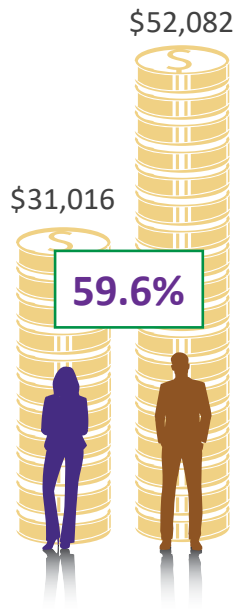
All Occupations That Require Some College Course(s) But No Degree, 2017

Occupation	Total Wages in Millions	Total Workers	Women	Percent Women	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Teacher assistants	\$86.8	5,156	4,268	83%	\$16,872	\$16,643	101%	44	40
Bookkeeping, accounting, and auditing clerks	\$144.4	4,218	3,566	85%	\$33,937	\$35,817	95%	44	40
Computer user support specialists	\$47.1	1,015	205	20%	\$39,757	\$48,047	83%	39	38
Computer, automated teller, and office machine repairers	\$7.0	156	9	6%	\$31,255	\$45,704	68%	42	43
Actors	\$0.8	66	23	35%	\$16,185	\$9,765	166%	33	42

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

Occupations That Require a Postsecondary Award (Nondegree)

Average wage: \$42,567
Women make about 60¢ on the dollar

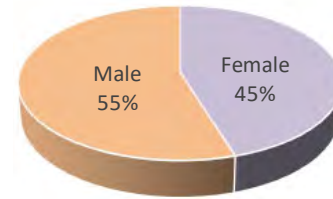


This category requires some type of certification or award beyond high school at a formal educational institution, but not a college degree. Some of these programs last just a few weeks and others last a year or two. It doesn't include certification by another type of certifying body or professional organization.

This is another broad category, with nearly 20,000 workers employed in 44 diverse occupations from paramedics to hairstylists. It included 14 occupations that averaged at least \$50,000 in 2017, and just 10 percent of these higher-paid workers were women. They also made an average of \$25,000 less than the men in these high-wage jobs.

Women in this educational category tend to be nursing assistants (2,084 workers in 2017, 88 percent women), medical assistants (1,808 workers, 89 percent women), or dental assistants (1,228 workers, 93 percent women). Again, the earnings ratios

Total workers: 19,379



Total occupations	44
High-wage occupations (\$50k+)	14
Number of high-wage women	468
Number of high-wage men	4,072
High-wage women's average	\$41,736
High-wage men's average	\$66,576

in these occupations were high, with women earning between 87 percent and 97 percent of men's average wages, but overall wages were low for both. These types of jobs paid around \$30,000 — much lower than the average for this education category (\$42,567).

10 Largest Occupations for Women That Require a Postsecondary Award or Certificate, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Women	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Nursing assistants	\$58.9	2,084	88%	\$28,015	\$30,041	93%	37	36
Medical assistants	\$56.5	1,808	89%	\$31,147	\$32,260	97%	34	34
Dental assistants	\$35.8	1,228	93%	\$28,867	\$31,193	87%	34	31
Hairdressers, hairstylists, and cosmetologists	\$15.2	706	94%	\$21,473	\$21,943	98%	34	35
Medical records and health info technicians	\$22.0	578	86%	\$36,991	\$44,920	82%	42	37
Massage therapists	\$15.0	567	87%	\$25,948	\$30,046	86%	38	41
Licensed practical and vocational nurses	\$21.9	441	84%	\$46,204	\$67,733	68%	46	45
Health care practitioners/technical workers	\$14.6	292	82%	\$48,451	\$56,414	86%	40	42
Psychiatric technicians	\$9.6	345	61%	\$27,787	\$28,034	99%	36	35
Health technologists and technicians, all other	\$12.0	290	67%	\$37,936	\$48,368	78%	39	41

10 Largest Occupations for Men That Require a Postsecondary Award or Certificate, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Men	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Heavy and tractor-trailer truck drivers	\$139.8	2,922	95%	\$36,611	\$48,419	76%	43	46
Automotive svc technicians and mechanics	\$76.8	1,964	97%	\$21,626	\$39,735	54%	32	38
Aircraft mechanics and service technicians	\$66.2	1,207	96%	\$32,948	\$55,887	59%	36	44
Firefighters	\$57.5	925	84%	\$24,257	\$69,165	35%	36	39
Telecom equip install/repair, exc line installers	\$54.2	752	88%	\$69,183	\$72,507	95%	48	44
Captains, mates, and pilots of water vessels	\$32.0	538	90%	\$34,717	\$62,229	56%	37	47
Heating, air cond, refig mechanics/installers	\$19.1	388	97%	\$21,733	\$50,224	43%	39	41
Nursing assistants	\$58.9	2,084	12%	\$28,015	\$30,041	93%	37	36
Emergency med technicians and paramedics	\$17.0	323	73%	\$42,298	\$56,371	75%	37	37
Electrical/electronics repair, comm/industrial	\$19.0	202	98%	\$102,811	\$93,908	109%	41	46

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

Occupations That Require an Associate Degree

Average wage: \$48,401

Women make about 69¢ on the dollar



An associate degree in college is typically a two-year degree, although it can take up to four years to complete. Jobs that require an associate degree include mechanical drafters, respiratory therapists, and dental hygienists.

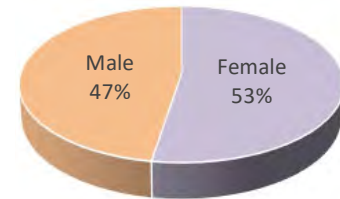
Only about 3 percent of occupations in Alaska require an associate degree, and they employed less than 9,000 workers in 2017. Women made up a slight majority, at 53 percent.

Twenty-seven occupations requiring an associate degree paid at least \$50,000 a year, and they employed more than 3,500 people in 2017.

Women made up 29 percent of these workers and earned nearly \$13,000 less than the men, on average.

Women with associate degrees are concentrated in medical, dental, and legal support occupations, while men are concentrated in engineering, computer support, and extraction.

Total workers: 8,772



Total occupations	46
High-wage occupations (\$50k+)	27
Number of high-wage women	1,029
Number of high-wage men	2,488
High-wage women's average	\$58,704
High-wage men's average	\$71,656

10 Largest Occupations for Women That Require an Associate Degree, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Women	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Preschool teachers, exc spec ed	\$18.4	853	93%	\$21,064	\$29,164	72%	37	39
Dental hygienists	\$25.3	514	96%	\$48,493	\$67,041	72%	42	41
Paralegals and legal assistants	\$24.9	547	87%	\$45,776	\$44,216	104%	45	40
Life, physical, and social science technicians	\$20.5	887	47%	\$22,404	\$23,667	95%	37	38
Human resrc assts, exc payroll/timekeeping	\$14.7	393	87%	\$38,703	\$29,341	132%	40	37
Radiologic technologists	\$25.8	426	69%	\$57,510	\$67,370	85%	43	47
Medical and clinical laboratory technicians	\$13.9	345	71%	\$38,892	\$44,247	88%	40	40
Legal support workers, all other	\$12.8	263	74%	\$45,700	\$56,893	80%	45	44
Veterinary technologists and technicians	\$5.0	198	91%	\$25,854	\$20,823	124%	34	31
Engineering technicians, exc drafters, all other	\$40.4	562	24%	\$53,952	\$77,371	70%	39	41

10 Largest Occupations for Men That Require an Associate Degree, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Men	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Life, physical, and social science technicians	\$20.5	887	53%	\$22,404	\$23,667	95%	37	38
Engineering technicians, exc drafters, all other	\$40.4	562	76%	\$53,952	\$77,371	70%	39	41
Geological and petroleum technicians	\$34.4	464	84%	\$82,531	\$72,571	114%	39	38
Civil engineering technicians	\$18.3	376	76%	\$47,425	\$49,094	97%	36	37
Computer network support specialists	\$15.0	274	91%	\$48,848	\$55,229	88%	44	40
Environmental engineering technicians	\$14.6	225	83%	\$54,270	\$67,287	81%	40	39
Forest and conservation technicians	\$7.2	203	86%	\$28,739	\$36,398	79%	35	35
Electrical and electronics engineering techs	\$13.9	167	92%	\$52,340	\$85,523	61%	39	44
Radiologic technologists	\$25.8	426	31%	\$57,510	\$67,370	85%	43	47
Chemical technicians	\$9.0	187	68%	\$43,382	\$50,243	86%	33	36

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

Occupations That Require a Bachelor's Degree



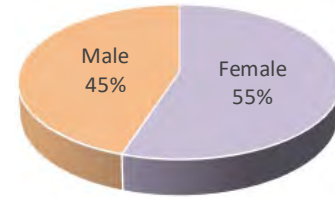
A bachelor's degree requires four or five years at a college or university. Common jobs requiring a bachelor's include budget analysts, dietitians and nutritionists, and civil engineers.

This is the third largest education category in Alaska, after occupations requiring a high school diploma and those without formal requirements. Nineteen percent of Alaska's occupations require a bachelor's degree, representing more than 63,000 workers in 2017. Women were the majority (55 percent) and earned about 67 percent of what men made.

The highest-paying occupations in this category — those averaging at least \$60,000 — employed 35,766 people, and nearly half were women. But while men made an average of \$98,832 in those occupations, women averaged nearly \$31,000 less.

The largest number of women worked as registered nurses, where they made up 88 percent of the workforce and earned an average of \$60,659 while

Total workers: 63,479



Total occupations	171
High-wage occupations (\$60k+)	71
Number of high-wage women	16,852
Number of high-wage men	18,914
High-wage women's average	\$67,923
High-wage men's average	\$98,832

men averaged \$69,273. As in other categories that are mostly women, the earnings ratio of 88 percent for nurses was more equal than for jobs requiring a bachelor's degree overall.

The largest occupation for men was general and operations manager, where they were 63 percent of the workers and outearned women by \$26,000 a year.

10 Largest Occupations for Women That Require a Bachelor's Degree, 2017

Occupation	Total Wages in Millions	Total Workers	Women	Percent Women	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Registered nurses	\$356.3	5,777	5,093	88%	\$60,659	\$69,273	88%	44	43
Teachers and instructors, all other	\$108.0	4,607	3,286	71%	\$22,226	\$26,442	84%	46	46
Elementary school teachers, exc spec ed	\$137.2	2,530	2,014	80%	\$54,046	\$55,006	98%	44	45
General and operations managers	\$330.2	4,055	1,519	37%	\$65,033	\$91,266	71%	46	49
Accountants and auditors	\$118.5	1,861	1,376	74%	\$59,654	\$75,172	79%	44	43
Managers, all other	\$212.3	2,753	1,310	48%	\$63,155	\$89,804	70%	46	49
Secondary teachers, exc spec/career/tech	\$123.4	2,086	1,291	62%	\$57,566	\$61,706	93%	44	45
Administrative services managers	\$74.7	1,472	1,022	69%	\$46,921	\$59,337	79%	44	46
Business operations specialists, all other	\$92.3	1,427	797	56%	\$54,163	\$77,932	70%	44	44
Chief executives	\$241.1	1,818	775	43%	\$93,612	\$161,615	58%	48	52

10 Largest Occupations for Men That Require a Bachelor's Degree, 2017

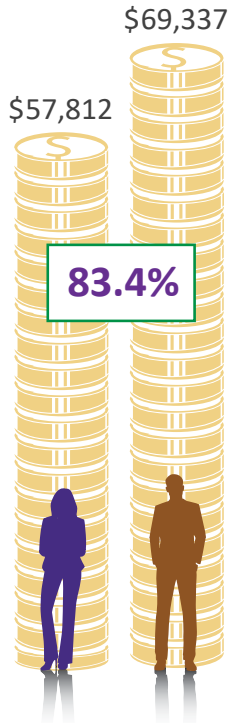
Occupation	Total Wages in Millions	Total Workers	Men	Percent Men	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
General and operations managers	\$330.2	4,055	2,536	63%	\$65,033	\$91,266	71%	46	49
Managers, all other	\$212.3	2,753	1,443	52%	\$63,155	\$89,804	70%	46	49
Teachers and instructors, all other	\$108.0	4,607	1,321	29%	\$22,226	\$26,442	84%	46	46
Airline pilots, copilots, and flight engineers	\$146.3	1,182	1,095	93%	\$125,708	\$123,651	102%	43	46
Construction managers	\$109.4	1,178	1,069	91%	\$79,605	\$94,233	84%	45	49
Chief executives	\$241.1	1,818	1,043	57%	\$93,612	\$161,615	58%	48	52
Engineers, all other	\$127.5	1,104	888	80%	\$94,225	\$120,666	78%	39	44
Civil engineers	\$90.6	1,126	852	76%	\$70,472	\$83,700	84%	42	44
Secondary teachers, exc spec/career/tech	\$123.4	2,086	795	38%	\$57,566	\$61,706	93%	44	45
Registered nurses	\$356.3	5,777	684	12%	\$60,659	\$69,273	88%	44	43

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

Occupations That Require a Master's Degree

Average wage: \$60,943

Women make about 83¢ on the dollar



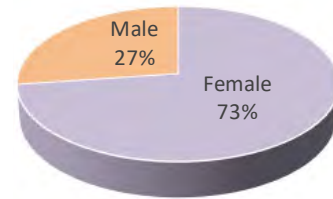
A master's degree typically requires an additional year or two of education beyond a bachelor's degree and is required for occupations such as statisticians, physician assistants, and various types of counselors.

Only about 2 percent of Alaska's occupations require a master's degree. Women held the large majority of these positions in 2017 and had the highest earnings ratio among educational categories. Only six occupations had a higher percentage of men than women, and only statistician stood out as being heavily male (80 percent).

Twelve occupations paid \$60,000 or more, and this was the only high-wage category among all educational levels where women were the majority (64 percent). However, men still earned an average of \$10,000 more.

While higher education requirements usually mean higher wages, that doesn't always hold true for master's degrees in Alaska.

Total workers: 5,789



Total occupations	35
High-wage occupations (\$60k+)	12
Number of high-wage women	1,177
Number of high-wage men	648
High-wage women's average	\$85,741
High-wage men's average	\$96,160

This category's occupations pay an average of \$5,000 less than those requiring a bachelor's. The bachelor's category has a much higher share of high-paying occupations, and while there are high-paying occupations in the master's category as well, it includes a number of relatively low-paying jobs such as counselors and social workers.

10 Largest Occupations for Women That Require a Master's Degree, 2017

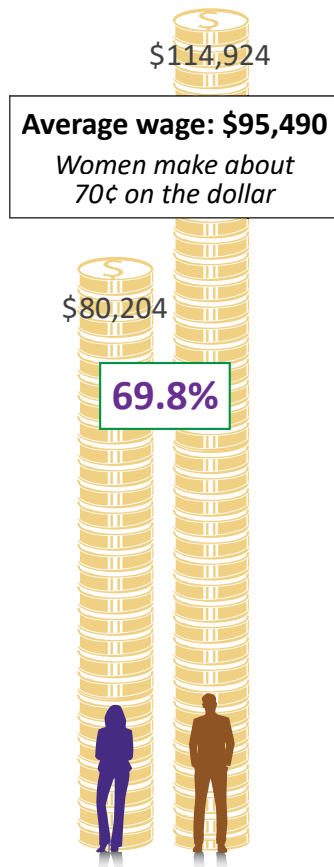
Occupation	Total Wages in Millions	Total Workers	Percent Women	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Mental health counselors	\$24.8	550	75%	\$44,051	\$48,370	91%	44	47
Educ, guidance, school, vocational counselors	\$28.4	523	76%	\$53,591	\$56,830	94%	44	47
Nurse practitioners	\$27.2	327	92%	\$83,468	\$79,187	105%	48	48
Physician assistants	\$45.7	472	61%	\$93,750	\$101,541	92%	44	49
Speech-language pathologists	\$16.8	297	96%	\$55,097	\$86,128	64%	42	45
Mental health/substance abuse social workers	\$16.2	395	282	\$41,897	\$39,010	107%	41	46
Education administrators, elem/secondary	\$49.7	555	268	\$86,648	\$92,304	94%	50	49
Instructional coordinators	\$16.6	359	266	\$45,396	\$48,435	94%	45	46
Librarians	\$14.1	282	254	\$49,961	\$50,845	98%	49	47
Counselors, all other	\$12.8	325	250	\$37,261	\$46,520	80%	44	48

10 Largest Occupations for Men That Require a Master's Degree, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Men	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age
Education administrators, elem/secondary	\$49.7	555	287	\$86,648	\$92,304	94%	50	49
Physician assistants	\$45.7	472	184	\$93,750	\$101,541	92%	44	49
Mental health counselors	\$24.8	550	140	\$44,051	\$48,370	91%	44	47
Educ, guidance, school, vocational counselors	\$28.4	523	123	\$53,591	\$56,830	94%	44	47
Mental health/substance abuse soc wkrs	\$16.2	395	113	\$41,897	\$39,010	107%	41	46
Instructional coordinators	\$16.6	359	93	\$45,396	\$48,435	94%	45	46
Urban and regional planners	\$11.2	189	85	\$56,869	\$61,894	92%	44	48
Counselors, all other	\$12.8	325	75	\$37,261	\$46,520	80%	44	48
Education administrators, postsecondary	\$14.1	169	72	\$72,588	\$98,429	74%	52	54
Rehabilitation counselors	\$6.1	176	65	\$34,568	\$35,181	98%	41	42

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

Occupations That Require a Doctoral or Professional Degree



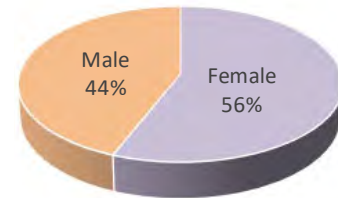
Doctorates (Ph.D.) and professional degrees usually require at least three years of full-time academic work beyond a bachelor's degree. Jobs requiring these advanced degrees include lawyers, physicists, and dentists.

Just 2 percent of Alaska's occupations are in this category, and while women are the majority, they earned 70 percent of what men earned in 2017.

Lawyer was the largest occupation for both men and women, and employment was fairly evenly split (51 percent women). Men earned considerably more, however, with an average annual wage nearly \$24,000 higher.

After lawyers, the largest numbers of women worked as physical therapists, family and general practitioners, and pharmacists. Women made up the majority of each of these categories, but the nearest their wages came to equal was pharmacists with an earnings ratio of 91 percent.

Total workers: 5,651



Total occupations	62
High-wage occupations (\$75k+)	27
Number of high-wage women	1,693
Number of high-wage men	1,614
High-wage women's average	\$106,415
High-wage men's average	\$147,526

Twenty-seven occupations in this category paid \$75,000 or more. Women made up just over half the workers but earned an average of \$41,000 less than the men, resulting in an earnings ratio of 72 percent: slightly more equitable than this educational category overall.

10 Largest Occupations for Women That Require a Doctoral or Professional Degree, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Women	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age	
Lawyers	\$95.9	1,034	51%	\$81,143	\$104,946	77%	42	45	
Physical therapists	\$31.6	495	76%	\$60,014	\$76,239	79%	42	43	
Family and general practitioners	\$53.2	373	61%	\$128,441	\$164,688	78%	43	50	
Pharmacists	\$34.2	347	210	61%	\$94,815	\$104,452	91%	41	44
Postsecondary teachers, all other	\$7.8	293	178	61%	\$25,276	\$28,733	88%	52	53
Physicians and surgeons, all other	\$88.3	351	133	38%	\$204,104	\$280,369	73%	46	50
Clinical, counseling, school psychologists	\$9.2	169	131	78%	\$54,066	\$55,991	97%	42	44
Business teachers, postsecondary	\$9.7	235	113	48%	\$31,681	\$50,426	63%	51	55
Veterinarians	\$11.9	148	113	76%	\$77,442	\$88,731	87%	43	50
Dentists, general	\$23.5	209	96	46%	\$89,555	\$131,905	68%	36	49

10 Largest Occupations for Men That Require a Doctoral or Professional Degree, 2017

Occupation	Total Wages in Millions	Total Workers	Percent Men	Women's Avg Wage	Men's Avg Wage	Earnings Ratio	Women's Avg Age	Men's Avg Age	
Lawyers	\$95.9	1,034	503	49%	\$81,143	\$104,946	77%	42	45
Physicians and surgeons, all other	\$88.3	351	218	62%	\$204,104	\$280,369	73%	46	50
Family and general practitioners	\$53.2	373	145	39%	\$128,441	\$164,688	78%	43	50
Pharmacists	\$34.2	347	137	39%	\$94,815	\$104,452	91%	41	44
Business teachers, postsecondary	\$9.7	235	122	52%	\$31,681	\$50,426	63%	51	55
Physical therapists	\$31.6	495	118	24%	\$60,014	\$76,239	79%	42	43
Postsecondary teachers, all other	\$7.8	293	115	39%	\$25,276	\$28,733	88%	52	53
Dentists, general	\$23.5	209	113	54%	\$89,555	\$131,905	68%	36	49
Engineering teachers, postsecondary	\$7.5	82	66	80%	\$87,555	\$92,777	94%	46	53
Internists, general	\$15.4	105	52	50%	\$131,911	\$161,512	82%	45	51

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

Anchorage's Recovery Behind Statewide Trend

Why Alaska job growth resumed in late 2018, but the city lags

By NEAL FRIED

While Alaska's job growth resumed in late 2018 after three years of loss, Anchorage is taking longer to shake the effects of the state recession. (See exhibits 1 through 3.)

Alaska began to add jobs in the last quarter of 2018, then registered growth of 0.3 percent in the first quarter of 2019. Our employment estimates through July suggest these gains, though modest, have continued.

Anchorage, which is home to nearly half the state's jobs, sustained slightly larger employment losses during the recession and its decline has continued into 2019.

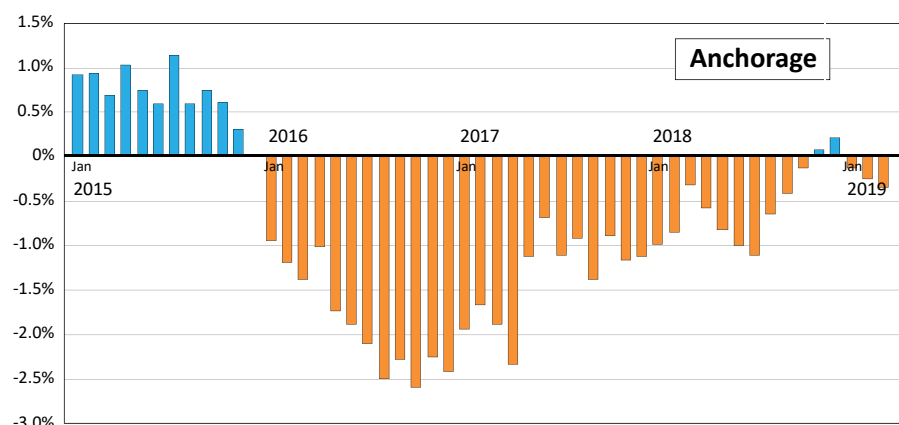
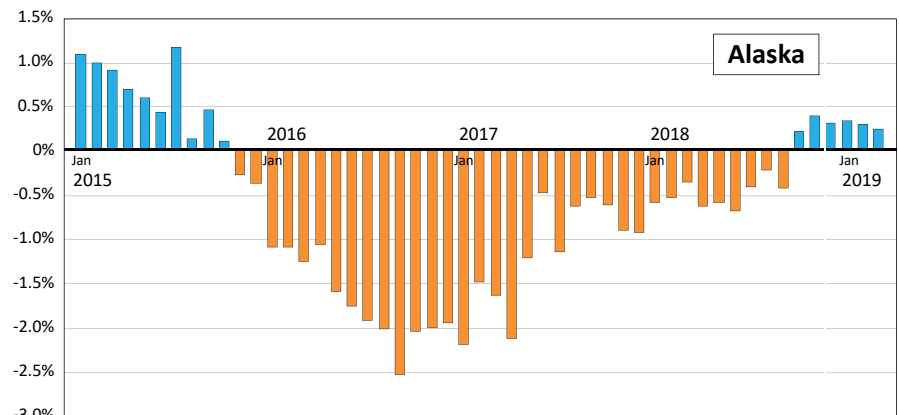
The city's employment was essentially flat in the last quarter of 2018 compared to the prior year, then down -0.3 percent in first quarter 2019. Estimates through July show employment has leveled or continued to decline slightly.

Why the difference?

Oil industry growth was mostly on the Slope

One factor that has pushed Alaska

1 Anchorage Slower to Resume Job Growth COMPARED TO STATEWIDE, QUARTERLY AVERAGE, 2015 TO 2019



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

2

Job Growth or Loss by Industry

ALASKA AND ANCHORAGE, 4TH QUARTER 2018 AND 1ST QUARTER 2019

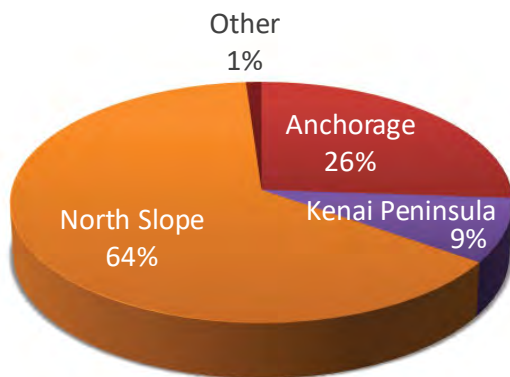
Industry	Change in jobs from 4th quarter 2017 to 4th quarter 2018		Change in jobs from 1st quarter 2018 to 1st quarter 2019	
	Anchorage	Alaska	Anchorage	Alaska
Total Wage and Salary Employment	60	1,058	-376	1,001
Natural Resources	-36	348	16	530
Oil and Gas	-77	199	2	456
Construction	595	1,324	441	801
Manufacturing	94	-447	97	-4
Wholesale Trade	43	9	43	54
Retail Trade	-623	-262	-498	-128
Transportation and Warehousing	162	407	-97	78
Utilities	55	62	-14	2
Information	-288	-370	-167	-263
Financial Activities	-189	-304	-90	-186
Professional and Business Services	160	-208	28	-121
Educational and Health Care Services	354	746	185	158
Health Care	125	598	-17	156
Leisure and Hospitality	223	443	217	475
Accommodation	49	59	70	185
Eating and Drinking	206	407	188	327
Other Services	-132	-21	-260	-133
Government	-374	-708	-319	-336
Federal Government	-150	-138	-98	-142
State Government	60	64	14	40
Local Government	-283	-633	-236	-234

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

3

Where the Oil Jobs Are

ALASKA, 2018



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

back into job growth is improvement in the oil industry. After losing 6,000 jobs from 2014 to the summer of 2018, the industry began to recover by the end of 2018. During that last quarter, employment was up by nearly 200 from late 2017, and in the first quarter of 2019, jobs were up by more than 400. Nearly all of that job growth was on the North Slope.

In March 2019, the North Slope had 9,899 oil and gas jobs, and Anchorage had 2,531. (See Exhibit 3.) Anchorage is the state’s headquarters for the oil industry, and headquarters employment is far less volatile than Slope employment, during expansion as well as contraction.

That’s not to say Anchorage hasn’t benefited from that growth in ways these job numbers don’t reflect. Anchorage residents are one of the largest groups of Slope workers, and while their jobs are counted on the Slope, they spend much of their income at home.

Much of the recent job growth has been on the North Slope, and Anchorage suffered unusually large retail losses over the past few years due to the closures of multiple big box stores.

Anchorage had much bigger losses in retail trade

Retail took a much bigger hit in Anchorage during the recession than it did statewide, as the city saw an unusually large number of store closures. Some of the larger closures included two Sam's Clubs, Toys R Us, and Bed Bath and Beyond.

During the first quarter of 2019, Anchorage's retail employment was down about 500 from the year before, while statewide retail was down just 128 jobs. In other words, removing Anchorage from the numbers puts retail trade jobs throughout the rest of the state up by nearly 400 in the first quarter of 2019.

Adding the Mat-Su Borough would change the story

Many economists and residents see Anchorage and the Matanuska-Susitna Borough as a single economy, because there's so much interaction between the areas' businesses and workforces. If we include Mat-Su in this analysis, it changes the picture considerably.

The larger Anchorage/Mat-Su Region's pattern has followed the statewide pattern, with regional job growth resuming in the last quarter of 2018. That's because Mat-Su weathered the three-year recession with only one year of job loss (2017), and that loss was just 100 jobs, or -0.3 percent.

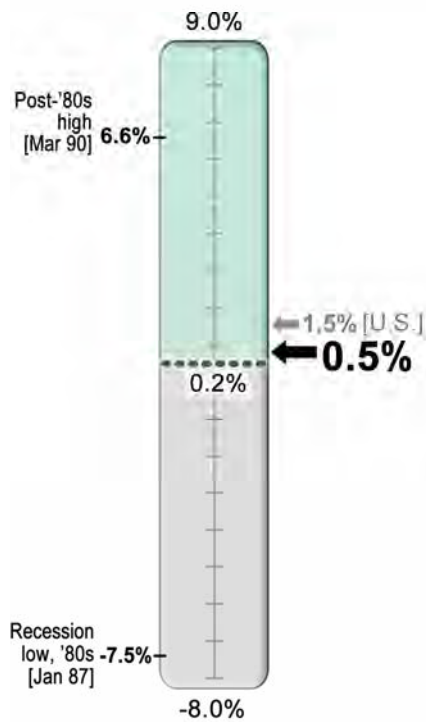
Neal Fried is an economist in Anchorage. Reach him at (907) 269-4861 or neal.fried@alaska.gov.

Gauging Alaska's Economy



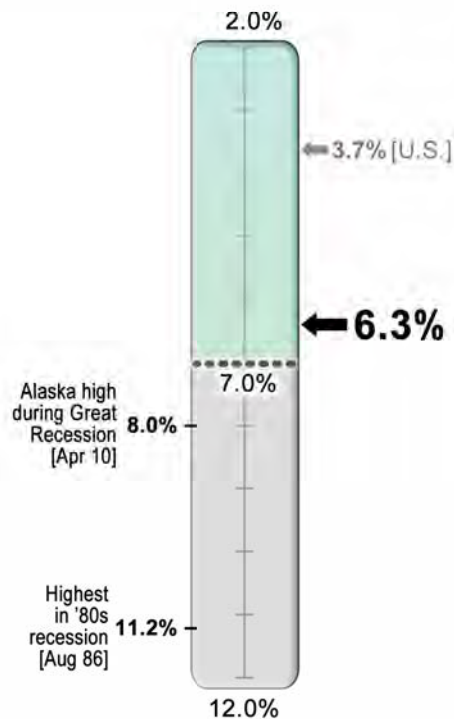
Job Growth

July 2019
Over-the-year percent change



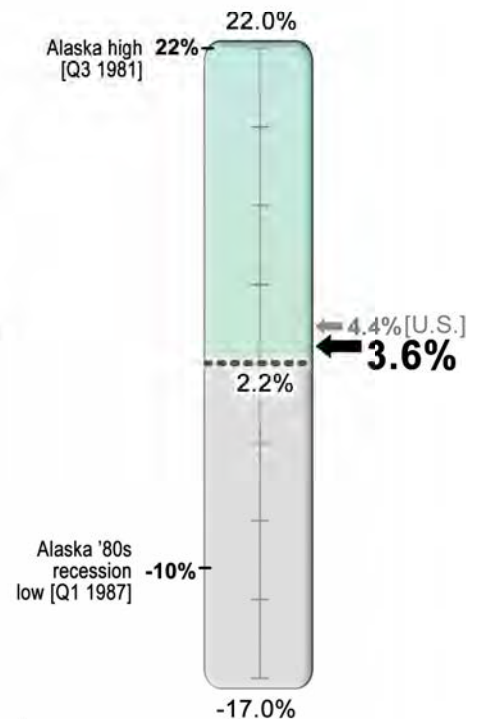
Unemployment Rate

July 2019
Seasonally adjusted



Wage Growth

1st Quarter 2019
Over-the-year percent change

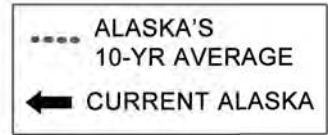


- The state has registered over-the-year job gains for 10 straight months after losing jobs for the prior 36 months.
- The gains are small yet consistent, and signal the end of the state's recession.
- U.S. job growth remains strong and has been positive since 2010, with the strongest growth in 2015.

- Alaska's rate had been flat for 10 straight months at 6.5 percent before falling to 6.4 percent in May and 6.3 percent in July. The last time the rate was this low was 2007.
- Unemployment rates are complicated economic measures and generally less telling at the state level than job or wage growth as indicators of broad economic health.

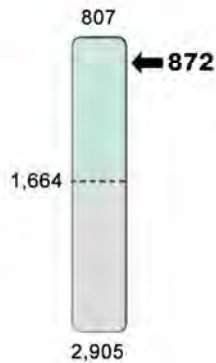
- Wages increased for the sixth straight quarter, and the strongest growth over that period was in 4th quarter 2018.
- Alaska's wage growth rate was slightly below the nation's, but both remained strong.

Gauging Alaska's Economy



Initial Claims

Unemployment, week ending August 3, 2019†

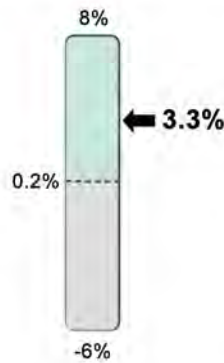


➤ For a variety of reasons, initial claims are well below the 10-year average despite job losses.

† Four-week moving average ending with the specified week

GDP Growth

1st Quarter 2019
Over-the-year percent change*

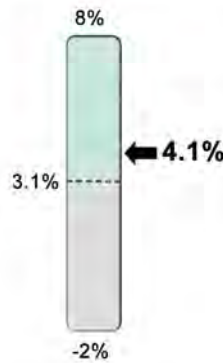


➤ Gross domestic product is the value of the goods and services a state produces. Alaska's GDP has grown for the last 10 quarters after declining for 15 out of the prior 16.

*In current dollars

Personal Income Growth

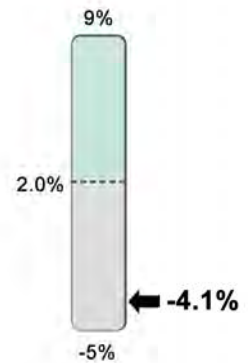
1st Quarter 2019
Over-the-year percent change



➤ Personal income includes wages as well as transfer payments (such as Social Security, Medicaid, and the PFD) and investment income. Growth has resumed and is above the 10-year average, but down slightly from last quarter.

Change in Home Prices

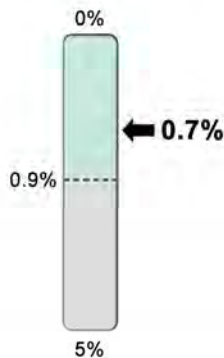
Single-family, 1st Qtr 2019
Over-the-year percent change



➤ Home prices include only those for which a commercial loan was used. This indicator tends to be volatile from quarter to quarter.

Foreclosure Rate

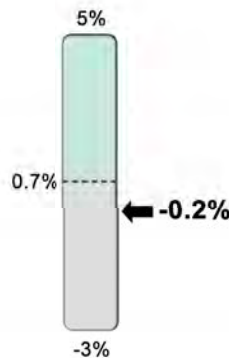
4th Quarter 2018



➤ Foreclosure rates remain very low, highlighting how different the state's recent recession was from the '80s recession when foreclosure rates exceeded 10 percent.

Population Growth

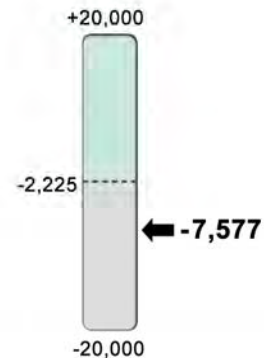
2017 to 2018



➤ The state's population has remained mostly stable during the state's recession, although 2018 was only the second year of population declines since 1988.

Net Migration

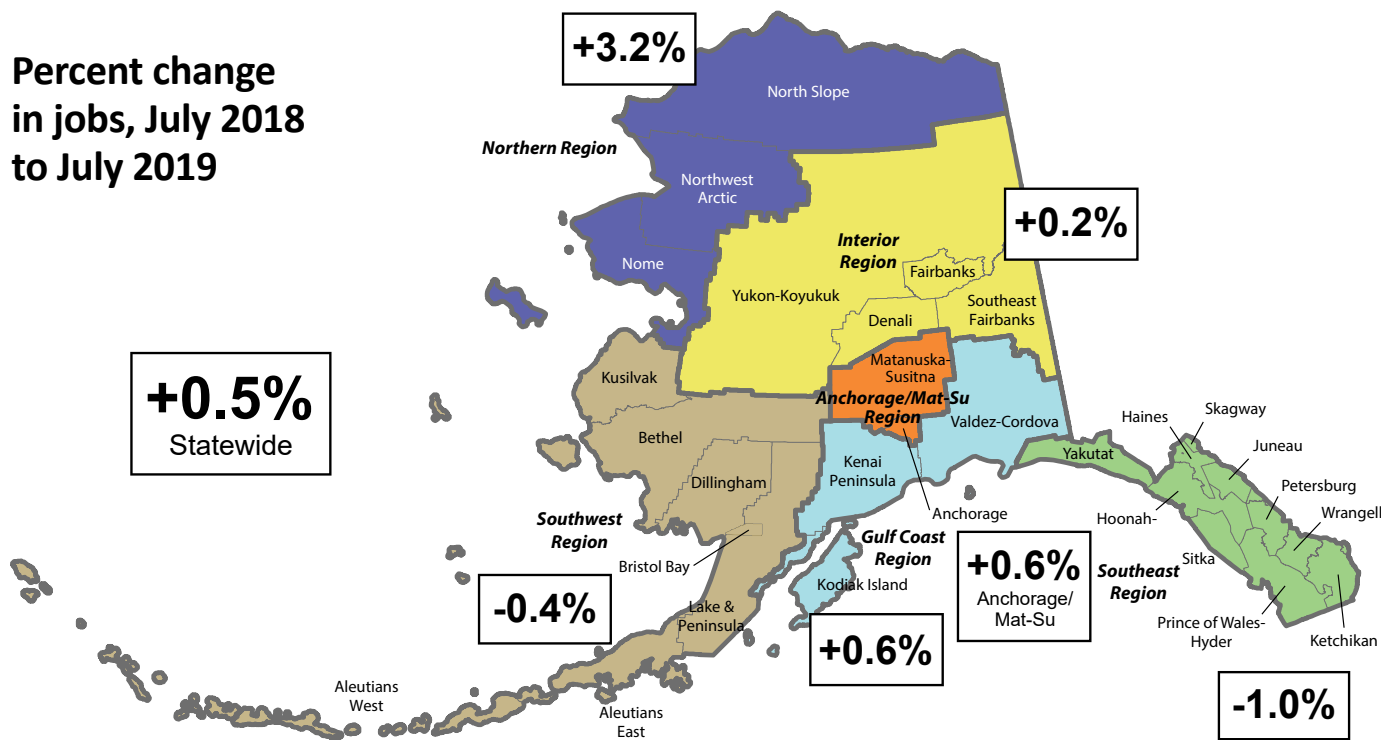
2017 to 2018



➤ The state had net migration losses for the sixth consecutive year in 2018. Net migration is the number who moved to Alaska minus the number who left.

Employment by Region

Percent change in jobs, July 2018 to July 2019



Unemployment Rates

Seasonally adjusted

Not seasonally adjusted

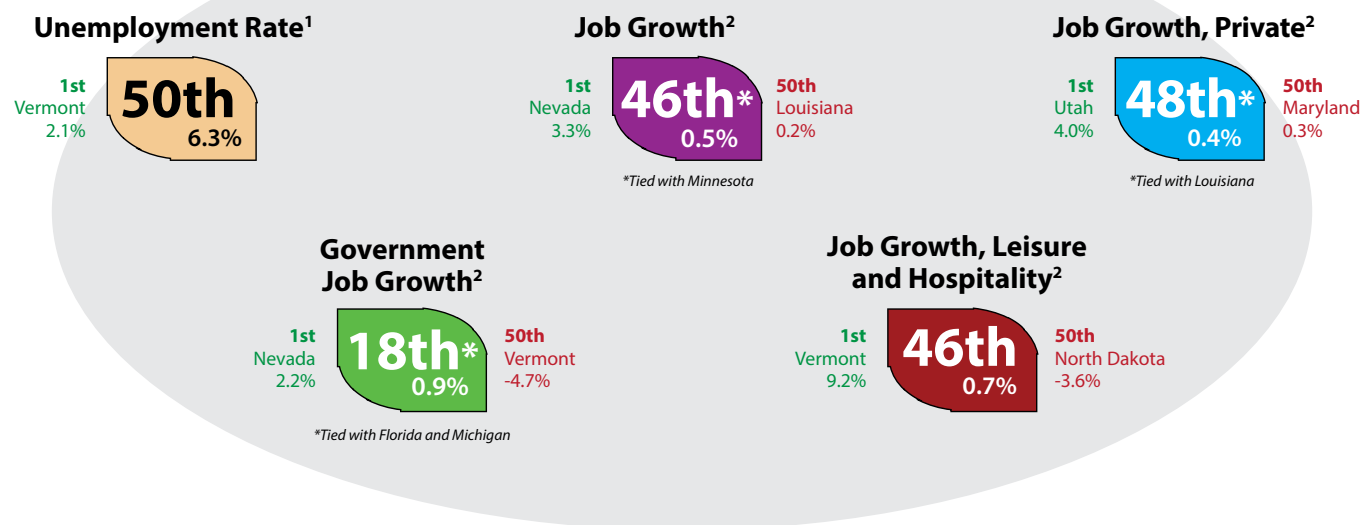
	Prelim. Revised		
	07/19	06/19	07/18
United States	3.7	3.7	3.9
Alaska	6.3	6.4	6.6

	Prelim. Revised		
	07/19	06/19	07/18
United States	4.0	3.8	4.1
Alaska	5.5	6.2	6.0

Regional, not seasonally adjusted

	Prelim. Revised				Prelim. Revised				Prelim. Revised		
	07/19	06/19	07/18		07/19	06/19	07/18		07/19	06/19	07/18
Interior Region	5.4	6.1	5.9	Southwest Region	9.0	11.0	9.2	Southeast Region	4.7	5.3	4.6
Denali Borough	3.6	3.9	3.3	Aleutians East Borough	2.0	3.1	2.0	Haines Borough	4.8	5.9	5.7
Fairbanks N Star Borough	4.8	5.4	5.3	Aleutians West Census Area	2.7	3.7	2.7	Hoonah-Angoon Census Area	6.9	8.0	7.6
Southeast Fairbanks Census Area	8.0	8.7	8.8	Bethel Census Area	13.5	14.1	14.1	Juneau, City and Borough	3.9	4.3	3.8
Yukon-Koyukuk Census Area	14.2	14.8	15.1	Bristol Bay Borough	1.6	3.0	1.6	Ketchikan Gateway Borough	4.8	5.6	4.4
Northern Region	11.3	12.2	11.6	Dillingham Census Area	6.0	7.3	5.8	Petersburg Borough	6.4	8.3	6.3
Nome Census Area	11.9	12.6	12.1	Kusilvak Census Area	22.9	23.1	23.1	Prince of Wales-Hyder Census Area	9.4	9.3	9.3
North Slope Borough	7.1	7.3	7.6	Lake and Peninsula Borough	7.5	9.3	8.7	Sitka, City and Borough	3.5	4.1	3.4
Northwest Arctic Borough	15.4	17.3	15.5	Gulf Coast Region	5.1	5.8	5.9	Skagway, Municipality	2.7	3.3	2.9
Anchorage/Mat-Su Region	5.1	5.7	5.7	Kenai Peninsula Borough	5.4	6.0	6.3	Wrangell, City and Borough	6.1	7.5	5.4
Anchorage, Municipality	4.7	5.2	5.2	Kodiak Island Borough	4.2	5.0	5.7	Yakutat, City and Borough	5.4	5.7	7.7
Mat-Su Borough	6.5	7.3	7.1	Valdez-Cordova Census Area	4.5	6.0	4.3				

How Alaska Ranks



Note: Government employment includes federal, state, and local government plus public schools and universities.

¹July seasonally adjusted unemployment rates

²July employment, over-the-year percent change

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

Other Economic Indicators

	Current		Year ago	Change
Urban Alaska Consumer Price Index (CPI-U, base yr 1982=100)	228.858	1st half 2019	223.099	+2.6%
Commodity prices				
Crude oil, Alaska North Slope,* per barrel	\$65.99	July 2019	\$76.19	-13.39%
Natural gas, residential, per thousand cubic feet	\$11.59	May 2019	\$11.85	-2.19%
Gold, per oz. COMEX	\$1,540.70	8/26/2019	\$1,216.00	+26.70%
Silver, per oz. COMEX	\$17.72	8/26/2019	\$14.97	+18.37%
Copper, per lb. COMEX	\$2.54	8/26/2019	\$2.73	-7.05%
Zinc, per MT	\$2,254.00	8/23/2019	\$2,540.00	-11.26%
Lead, per lb.	\$0.94	8/26/2019	\$0.94	0%
Bankruptcies				
	106	Q2 2019	105	+0.95%
Business	9	Q2 2019	6	+50%
Personal	97	Q2 2019	99	-2.02%
Unemployment insurance claims				
Initial filings	3,149	July 2019	3,702	-14.94%
Continued filings	22,810	July 2019	29,411	-22.44%
Claimant count	5,375	July 2019	6,454	-16.72%

*Department of Revenue estimate

Sources for this page and the preceding three pages include Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Bureau of Labor Statistics; U.S. Bureau of Economic Analysis; Kitco; U.S. Census Bureau; COMEX; Bloomberg; Infomine; Alaska Department of Revenue; and U.S. Courts, 9th Circuit

EMPLOYER RESOURCES

Free fidelity bonds an opportunity for employers, at-risk workers

Fidelity bonding is a proven and effective job placement tool that helps concerned employers and at-risk job seekers.

The Alaska Fidelity Bonding Program offers no-cost, no-deductible bonds to employers who hire at-risk employees such as ex-offenders, people recovering from substance abuse, those with poor work or credit histories, and workers who are not otherwise bondable.

Bonds insure employers against any job-related theft, forgery, larceny, or embezzlement by an employee, on or off the work site. The opportunity to obtain a free fidelity bond allows the employer to focus on a worker's skills and productivity without taking on added risk of worker dishonesty. It is the only program that bonds ex-offenders.

Nationwide, 99 percent of bonded at-risk workers have proven to be honest employees.

Employers can bond any full- or part-time, permanent or temporary, new or returning employee who meets the state's legal age requirement to work. Under some circumstances, no-cost bonds may also be

available for employers wanting to promote or retain at-risk workers. The self-employed are not eligible.

Bonds may be issued without the need to sign forms. It takes just a few minutes for Alaska Job Center staff to take down information about the employer, employee, and the hire date for the bond to take effect.

The basic bond is \$5,000 and is effective for six months. Larger amounts and renewals are available in some circumstances, and the employer may also continue coverage directly with the underwriter if there have been no claims in the first six months.

For more information about Alaska's Fidelity Bonding Program, visit labor.alaska.gov/bonding, contact the Alaska Job Center at jobs.alaska.gov/offices, or contact the Fidelity Bonding Coordinator at dol.fidelitybondingprogram@alaska.gov or (907) 465-5952 or (800) 770-8973 (Alaska Relay).

Employer Resources is written by the Employment and Training Services Division of the Alaska Department of Labor and Workforce Development.