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## Press Release

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### Alaska employment down 1.6 percent in first half of 2016

JUNEAU, Alaska—Detailed data released today for the first half of 2016 show that job loss in Alaska has spread to most sectors of the economy. Average monthly employment in the first six months of 2016 was down 5,530 jobs, or 1.6 percent, compared to the first half of 2015. Employment losses accelerated from a 1.2 percent decline in January to a 2.5 percent decline in June.

Employers paid \$8.6 billion in wages during the first six months of 2016, down from \$9.1 billion during the first half of 2015, a 4.5 percent decline when adjusted for inflation.

Private sector employment was down 4,867 jobs, or 1.9 percent, driven largely by losses in oil and construction. Oil and gas industry employment was down 2,384 jobs, which was an average monthly loss of 16.4 percent. Oil industry cutbacks escalated through the first half of the year, from 11.9 percent fewer jobs in January to 22.1 percent fewer in June.

Construction employment was down an average of 8.3 percent in the first half of the year, with steady losses each month. Specialty trade contractors and heavy and civil engineering construction were hit hardest, impacted by minimal capital budgets and cutbacks in oil-related construction projects.

Losses in the professional and business services sector, 1,536 jobs, were closely tied to oil and construction declines. Nearly half the losses were in architectural, engineering and technical consulting services. Managing offices and temporary help services also lost jobs.

Manufacturing employment, which is dominated by seafood processing in Alaska, was lower than 2015 levels by a small amount in early 2016 but May and June showed large over-the-year losses from weak salmon returns.

Wholesale and retail trade began recording losses in the first half of 2016, with a combined average monthly employment loss of 178 jobs. Losses accelerated from January, when both sectors were adding jobs, to June, where combined employment was down by 906 jobs. Trade establishments associated with construction and heavy machinery were generally down and so was sporting goods store employment, a result of store closures.

The transportation and warehousing sector showed growth in the first half of 2016, largely in air cargo transportation and tourism-related transportation. Other freight transportation was down slightly in response to the downturn in local consumption.

The information industry remained relatively flat from the first half of 2015 through the first half of 2016. Telecommunications, its largest component, did not add jobs in 2016. Gains in the motion picture industry offset small losses in print publications. The financial services industry — which includes financial institutions, insurance carriers and real estate and rental companies — lost 77 jobs, mostly in real estate.

Education and health services — which includes private education, social services and health care — was the

only sector to gain a significant number of jobs, growing by 2.3 percent overall. Ambulatory health service employers, which have the most jobs in the sector, grew by 2.2 percent, or 400 jobs over the year. Private hospitals, the second largest health care employer, grew by 3.3 percent, or 370 jobs. Nursing and residential care facilities added 56 jobs, and social assistance added 246, for 2.6 percent growth. Private education, which makes up just 5 percent of the sector, was flat in the first half of 2016.

The leisure and hospitality industry, which depends on local as well as visitor expenditures, was relatively flat at 0.2 percent growth, or 69 additional jobs. Nearly two-thirds of jobs in this industry are in restaurants and bars, which were down slightly. Accommodations also lost a small number of jobs, which were offset by a 3.6 percent gain in the smaller arts, entertainment and recreation sector, at 164 jobs. Most of this growth was in fitness and recreational sports centers.

The remainder of private sector employers are categorized as other services, which lost jobs in the first half of 2016. Most of the loss in this group was in the personal and laundry services sector.

The public sector, which made up a fourth of payroll employment, was down 0.8 percent, or 663 jobs. The decline was driven by a 4.6 percent loss in state government, or 1,199 jobs. Local government employment was up 0.4 percent, or 183 jobs, almost all in school districts. Federal growth also offset some of the losses from state government. Federal civilian employment grew 2.4 percent, or 353 jobs, as federal employment continued to rebound from years of cuts.

Research and Analysis Web site: [laborstats.alaska.gov](http://laborstats.alaska.gov)

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For more on specific industries, boroughs or census areas, visit [laborstats.alaska.gov/qcew/qcew.htm](http://laborstats.alaska.gov/qcew/qcew.htm).

## Alaska Employment by Industry

Industry	Jan-Jun 2015, Avg Monthly Jobs	Jan-Jun 2016, Avg Monthly Jobs	Change	Percent Change
<b>Total, All Industries</b>	<b>335,409</b>	<b>329,879</b>	<b>-5,530</b>	<b>-1.6%</b>
<b>Total Private</b>	<b>253,504</b>	<b>248,637</b>	<b>-4,867</b>	<b>-1.9%</b>
Natural Resources and Mining	18,401	15,941	-2,460	-13.4%
Oil and Gas Industry	14,517	12,133	-2,384	-16.4%
Construction	16,940	15,540	-1,400	-8.3%
Manufacturing	13,149	12,944	-206	-1.6%
Seafood Product Manufacturing	9,345	9,117	-228	-2.4%
Trade, Transportation, and Utilities	64,170	64,171	1	0.0%
Wholesale Trade	6,517	6,432	-85	-1.3%
Retail Trade	36,520	36,427	-93	-0.3%
Utilities	2,113	2,101	-12	-0.6%
Transportation and Warehousing	19,020	19,211	192	1.0%
Information	6,319	6,315	-3	-0.1%
Financial Activities	12,778	12,700	-77	-0.6%
Professional and Business Services	29,909	28,374	-1,536	-5.1%
Education and Health Services	46,251	47,326	1,075	2.3%
Health Care	34,336	35,162	826	2.4%
Leisure and Hospitality	33,508	33,577	69	0.2%
Accommodation	7,878	7,824	-55	-0.7%
Bars and Restaurants	21,046	21,007	-40	-0.2%
Other Services	11,803	11,107	-696	-5.9%
<b>Total Government</b>	<b>81,905</b>	<b>81,242</b>	<b>-663</b>	<b>-0.8%</b>
Federal Government	14,738	15,091	353	2.4%
State Government	26,216	25,018	-1,199	-4.6%
Local Government	40,951	41,133	183	0.4%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section, Quarterly Census of Employment and Wages 2016