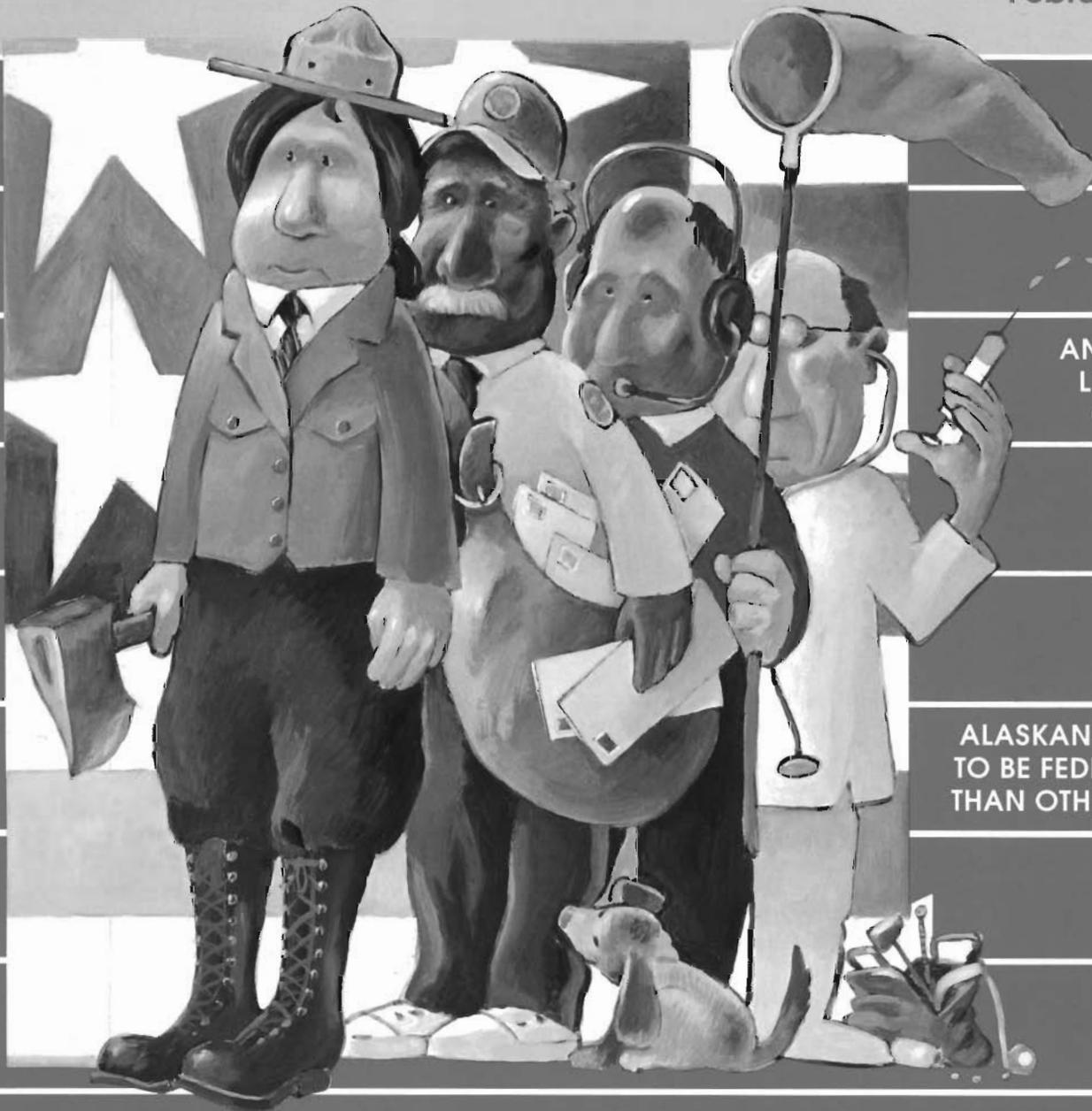


# ALASKA ECONOMIC TRENDS

February 1994



ANCHORAGE  
LEADS JOB  
GROWTH

ALASKANS MORE LIKELY  
TO BE FEDERAL WORKERS  
THAN OTHER AMERICANS

FEDERAL GOVERNMENT: ALASKA'S LARGEST EMPLOYER

ALASKA DEPARTMENT OF LABOR  
WALTER J. HICKEL, GOVERNOR

# ALASKA ECONOMIC TRENDS

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# Federal Government: The Largest Alaskan Employer

by John Boucher

The federal government (including uniformed military personnel) has been the largest employer in Alaska since well before statehood. In Alaska's early years, it was the dominant civilian employer, and even as late as 1970, nearly one in every five civilian wage and salary jobs was with the federal government. The federal government began to fade as the dominant employer of Alaskans as the oil and other industries rose to prominence in the 1970s. However, the federal government still remains an important contributor to Alaska's job base. The ratio of federal civilian jobs to total wage and salary employment was 2.8 times that of the nation in 1992. In that same year, more than 43,000 individuals in Alaska drew a paycheck from the federal government; about 75% of these were either uniformed military, or civilian employees of military agencies. The balance of federal government employment in Alaska is civilian agency employment.

This article examines civilian federal agency employment in Alaska and gives a brief outlook for agency employment in the future. Analysis of military-related employment is excluded. For a picture of the economic impact the military has on Alaska see the September 1993 issue of *Alaska Economic Trends*.

In 1992, the annual average federal agency employment was 10,902 with a total payroll of \$469.6 million. This represented about 4.4% of the state's total wage and salary employment and 6.0% of the payroll. In measuring the civilian payroll's impact, it should be remembered that many civilian employees receive a 25% tax free cost-of-living allowance (COLA) for being located in Alaska. The federal COLA gives these employees more disposable income to spend on local goods and services than individuals of comparable income.

## Interior the largest department

Five agencies accounted for most of the federal employment in Alaska. In order from the largest they were: the Department of Interior, the Postal Service, the Department of Transportation, the Department of Agriculture and the Department of Health and Human Services. (See Table 1.)

The relative size of these particular agencies gives some insight into the unique federal presence in Alaska. Interior is the largest department in Alaska primarily because the federal government is the largest landowner in the state. Most agencies in Interior manage federal lands or their associated resources. Within Interior, prominent branches are: the Bureau of Land Management, the Fish and Wildlife Service, the National Park Service, the Bureau of Indian Affairs, the Minerals Management Service and the U.S. Geological Survey. Except for the Bureau of Indian Affairs, the primary function of these bureaus is to manage federal landholdings and resources of the federal government within Alaska.

Alaska's second largest federal civilian employer is the Postal Service. This is no surprise since the Postal Service is the largest federal employer in many states. However, Alaska's unique geographic characteristics contribute to a relatively large work force. Isolated areas of Alaska are more dependent on mail service than the average rural community. In Alaska's remote areas it's not uncommon for residents to call up a grocer in a nearby town and have their groceries delivered through the mail. The Department of Transportation's prominence is also related to Alaska's geographic characteristics. Alaska's large land area makes the airways a more common mode of transportation for goods and people than anywhere else in the country. In support of the air transportation

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Table • 1

**Federal Civilian Agency Employment 1982-1992 <sup>1/</sup>**

	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1992 payroll	Average Annual Wage per Job
US Dept of Interior	2,601	2,480	2,466	2,364	2,241	2,230	2,297	2,371	2,371	2,482	2,636	\$116,697,266	\$44,268
US Postal Service	1,425	1,628	1,893	1,979	2,169	2,240	2,216	2,186	2,136	2,125	2,113	75,501,955	35,741
US Dept of Transportation <sup>2/</sup>	2,380	2,341	2,326	1,631	1,576	1,632	1,625	1,661	1,704	1,777	1,882	106,750,096	56,737
US Dept of Agriculture	1,220	1,185	1,134	1,081	1,048	1,057	1,061	1,163	1,233	1,241	1,326	51,678,567	38,983
US Dept of Health & Human Services	1,374	1,359	1,402	1,422	1,248	1,158	1,137	1,114	1,127	1,182	1,191	41,330,030	34,709
US Dept of Commerce	578	577	500	437	406	396	397	415	732	432	429	20,809,980	48,565
US Treasury Dept.	278	303	321	308	333	371	406	389	367	380	376	13,927,062	37,081
Veteran's Administration	101	113	127	136	139	151	162	183	196	217	256	11,297,751	44,089
Federal Deposit Insurance Corp.	0	0	0	0	0	2	50	78	143	180	171	6,649,029	38,940
US Dept of Justice	62	66	67	86	100	109	117	125	135	147	128	7,493,997	58,776
General Services Administration	116	115	117	118	117	120	115	120	115	111	120	5,017,609	41,813
US Courts	58	54	55	59	63	71	72	72	81	93	107	4,811,367	45,142
US Dept of Housing & Urban Development	57	51	43	47	49	60	69	75	70	65	60	2,696,432	45,066
US Dept of Energy	13	13	10	16	39	39	36	35	34	36	34	2,022,728	59,058
Small Business Administration	25	26	29	30	30	30	29	30	27	29	31	1,462,167	47,679
US Dept of Labor	11	13	13	13	14	14	16	19	18	17	17	562,671	32,462
Office of Personnel Management	31	21	21	20	21	21	20	21	20	15	14	271,105	19,959
Federal Communications Commission	9	9	11	10	13	13	13	13	13	11	11	542,503	48,222
National Labor Relations Board	0	2	7	5	6	5	5	4	4	3	3	168,237	56,079
Interstate Commerce Commission	1	1	1	1	1	0	0	0	0	0	0	0	0
US General Accounting Office	7	7	7	5	3	0	0	0	0	0	0	0	0
<b>TOTAL CIVILIAN AGENCIES</b>	<b>10,347</b>	<b>10,364</b>	<b>10,550</b>	<b>9,768</b>	<b>9,616</b>	<b>9,720</b>	<b>9,844</b>	<b>10,073</b>	<b>10,524</b>	<b>10,543</b>	<b>10,902</b>	<b>\$469,690,552</b>	<b>\$43,084</b>

*1/ While researching this article, it was discovered that current federal reporting procedures undercount the number of civilian agency employees in Alaska. For example, the Environmental Protection Agency and the US Congress have employees in Alaska, but they are not accounted for in federal reports sent to the Alaska Department of Labor. While the exact magnitude of the undercount is unknown at this time, it appears that approximately 200 employees on the federal payroll were unaccounted for in the reports. Research and Analysis is currently pursuing accurate and complete reporting of all civilian agency employment in Alaska.*

*2/ Includes civilian employees of the US Coast Guard.*

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

sector, the Federal Aviation Administration (FAA) has a large contingent, accounting for most of the Department of Transportation's employment in Alaska. The FAA provides air traffic controllers to airfields, and is responsible for engineering, design and maintenance of Alaska's air navigational aids and traffic management systems. In addition, FAA personnel conduct inspections and certify the fitness of aircraft. After the FAA, the U.S. Coast Guard in Alaska is the second largest employer of civilian personnel within Transportation.

Like Transportation, the Department of Agriculture is dominated by one branch of the department. More than 90% of Agriculture's employees are in the Forest Service. Forest Service employees serve a similar function to Interior's in that many are land and resource managers. The difference is that the Forest Service's jurisdiction is restricted to the Tongass and Chugach National Forests.

Alaska's fifth largest civilian federal agency, the Department of Health and Human Services, is dominated by the Public Health Service. The Public Health Service administers the health care needs of the Alaska

Native population through the Indian Health Service. The Indian Health Service's largest facility is the Alaska Native Medical Center in Anchorage. It also operates smaller facilities in Ketchikan and Barrow. In addition to these facilities, the Public Health Service provides employees to the nine privately-contracted Native hospitals and clinics around the state. In addition to the Public Health Service, the Social Security Administration and Center for Disease Control also contribute to the department's presence in Alaska. They are relatively small branches, however, when compared to the Public Health Service.

Outside of the largest five, a whole host of agencies comprise the balance of federal employment in the state. The largest of the remaining agencies is the Department of Commerce, of which the National Weather Service and the National Marine Fisheries Service are the primary components. The Treasury Department, of which the Internal Revenue Service and Customs Bureau are the prominent arms, has a significant employee base in Alaska. Alaska's relatively large veteran population is a factor in the Department of Veteran's Affairs being one of the larger of the remaining federal agencies in Alaska. Most of the other federal agencies tend to have a small presence.

### **Employment falls, then makes a comeback**

Throughout much of the 1980s civilian federal employment in Alaska declined. During this period many federally-provided services were transferred to state and private control. The Bureau of Indian Affairs transferred administration of its schools to the state, the Alaska Railroad was transferred from federal to state ownership, the Forest Service contracted out more seasonal employment, and the Public Health Service turned over health care facilities to Alaska's Native corporations. Of the five largest agencies, only the Postal Service bucked the trend of dropping employment. The Postal Service expanded from 1982-1987 due to three factors: rapid population growth, an aggressive facilities upgrade program, and designation

of Alaska as a postal district, which resulted in responsibility for some support functions being transferred from Seattle to Anchorage.

Most of the large-scale transfers of services were completed by 1987, when civilian agency employment began growing again. When these slowed, growth in other agencies became evident. One agency which contributed to the rebound was the Department of the Treasury, primarily the Internal Revenue Service (IRS). Staffing up at IRS was in response to the growth in population, incomes and businesses in Alaska during the early 1980s. While growth at the IRS was due to the economic expansion, one agency opened as a result of the 1986-88 recession. The Federal Deposit Insurance Corporation (FDIC), established an Alaskan office in the late 1980s to deal with the aftermath of the bank closures that plagued the economy.

The Department of Interior also contributed to the expanding civilian employment base. Two agencies in Interior were responsible for most of the growth- the Fish and Wildlife Service and the National Park Service. In the mid to late 1980s growth in the Fish and Wildlife Service was in response to the passage of the Alaska National Interest Land Claims Act (ANILCA) in 1982. That legislation established 16 new wildlife refuges which substantially increased the wildlife resources and habitat to be managed in Alaska. Another employment boost occurred in 1989 when Fish and Wildlife was given the responsibility of managing subsistence activities on federal lands in Alaska. Prior to that time, this was the responsibility of the state government.

Another agency in Interior which grew during this period was the National Park Service (NPS). NPS grew in response to the tourism industry's increased demand for its facilities. Each year, more visitors are coming to NPS facilities such as Denali National Park, Glacier Bay National Monument, and Katmai National Monument.

At the same time Interior turned around, so did the Department of Agriculture. Since the late 1980s, the Forest Service has beefed up

its staff in two areas. The number of personnel devoted to studying forest habitat has increased, in particular wildlife and fisheries biologists, ecologists and technicians supporting their efforts. In addition to a larger scientific staff, more personnel were hired to plan, develop and maintain recreational facilities within the forests.

Another steady contributor to recent growth in civilian federal employment has been the Department of Veterans Affairs (VA). The VA administers veteran's entitlement programs in Alaska and provides health care services through the Anchorage VA clinic. In April 1990, the VA moved into a larger facility that enabled them to increase in-house health care services provided to veterans. The extra staff necessary to deliver these services is the primary reason for VA growth in the last several years. The Department of Transportation, in particular the Federal Aviation Administration, also expanded in the latter part of the 1980s. The primary reason for FAA expansion was an initiative to increase airline safety. This included a broad-based effort of hiring air traffic controllers, upgrading air traffic management systems, and increasing staff devoted to inspecting and certifying aircraft and operators.

### **Outlook is for little or no growth**

The immediate future for most federal agencies ranges from little or no employment growth to declines. At the broadest level, the administration's Reinventing Government initiative is forcing federal agencies to examine how they deliver services. One goal of the initiative is to trim the nation's federal work force by 250,000; how that will affect Alaska is still an unknown.

Even without the Reinventing Government initiative, some agencies in Alaska have cut back on hiring or have a hiring freeze in place. The Federal Aviation Administration is in the midst of a hiring freeze and expects it to continue through the current federal fiscal year. In the future, there could be a significant impact on the FAA's work force if recommendations of the initiative are enacted. One proposal would establish the FAA as

an independent government corporation removed from the federal budget process. This may eventually result in some of the functions of the FAA being privatized.

The Public Health Service (PHS) will continue to increase the number of facilities which are privately contracted, which places downward pressure on Health & Human Services employment. In January 1994 the Southeast Regional Health Corporation will assume management of the PHS clinic in Ketchikan. The transfer of this facility will have a minimal impact on the agency's employment but it will have an impact nonetheless. The largest potential impact would be if the hospital in Anchorage was transferred to private ownership. This isn't expected to happen in the near term but remains a possibility after completion of the construction of the new facility in Anchorage.

The Postal Service, which experienced a steady downward movement in employment during the past several years, expects employment to remain close to current levels in the near term. The employment drop was a result of automation of sorting capabilities, but most of the job loss from automation has been realized. Mail volume is now the critical determining factor in future Postal Service employment; and if population continues to grow there will probably be slight growth in Post Office employment. Automation tended to hit the urban postal service harder than rural sections of the state. Even during the recent downsizing, postal employment in Alaska's outlying areas has been growing and this is the most likely area of future growth.

In the Department of Agriculture, the outlook is for slow declines in the Alaskan employment base. Most of the decline is expected to be a result of the Forest Service shift from timber harvest programs to total ecosystem management. The resulting change in land management philosophy is expected to place downward pressure on employment related to existing timber harvesting programs.

In contrast to the declines in most of the other large departments, the Department of

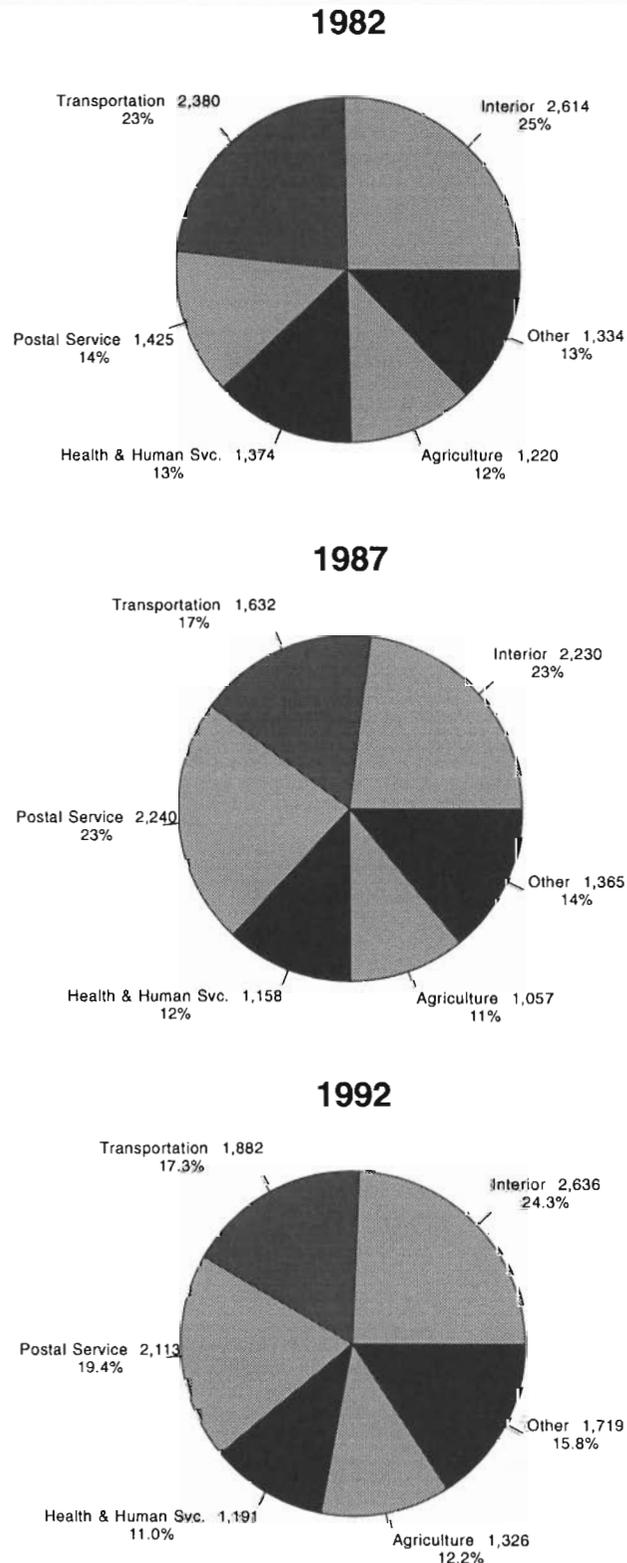
Interior just recently completed a restructuring which created a new bureau. The new bureau is the National Biological Survey, created as an independent research arm within the department. This agency will result in an overall increase for department employment, although most of the personnel were transferred from research arms in existing agencies.

Most of the other smaller federal agencies in the state expect little or no change in employment. Even so, their overall impact on federal employment tends to be small in comparison to what is happening at the larger agencies, although there are some exceptions. One notable change recently occurred when the Federal Deposit Insurance Corporation closed its Alaskan office in October of 1993. That move cut the federal work force by nearly 200 in Anchorage. On the side of potential future growth, there was a proposal to make the Alaska region a separate office within the Environmental Protection Agency (EPA). While that would add to employment, EPA's presence in Alaska is currently fairly small and the impact of any new personnel would likely be minimal.

### Feds Remain An Economic Cornerstone

Although its relative prominence has declined since the emergence of oil as the major force in Alaska's economy, the federal government remains the state's largest single employer. In the last several years, a national effort to pare defense-related spending has placed downward pressure on the military side of Alaska's federal presence. During the same period, some civilian agencies in Alaska have grown due to increased population and demand for services. Other agencies grew in response to increased scrutiny of the land use management policy governing public lands and water resources in the state. With a large resource base to manage, and a growing population spread over a large area, it's a certainty that the federal government will remain a major player in Alaska's economy for many years to come.

## Federal Agency Employment



# Alaskans: More Likely to Be Federal Workers Than Other Americans

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by Tom Lane

Federal government employment plays an unusually important role in Alaska. Figure 1 compares the proportion of federal civilian jobs (including civilian military) to total employment in Alaska and the U.S. and highlights several facts:

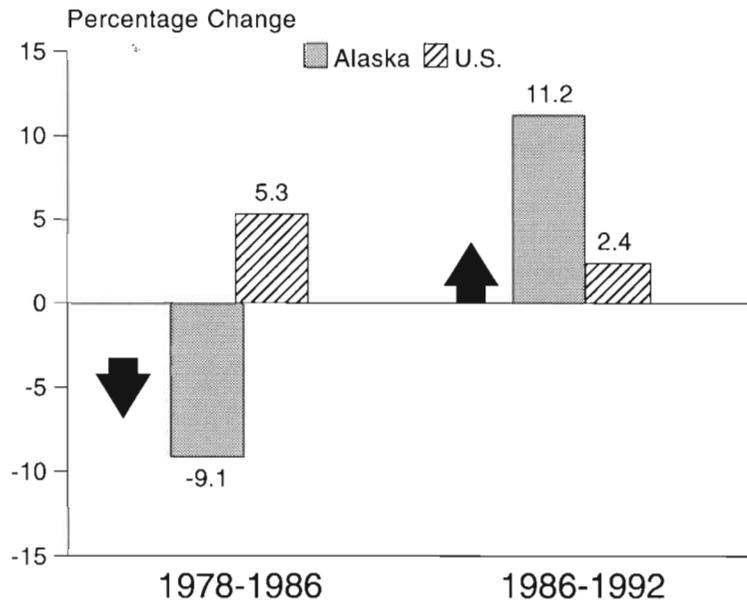
- Federal civilian employment is more important to Alaska than to the U.S. as a whole. Despite the relative decline of federal jobs in Alaska in the early 1980s, the proportion of total jobs that are in federal government is still nearly three times that of the U.S. as a whole.
- Federal jobs were extremely important to Alaska in the late 1970s, representing nearly 12% of the state's total wage and salary employment. Its relative importance declined by about a third in the mid 1980s, as federal services were transferred to private and state agencies and as other employers expanded.
- Federal civilian employment has been slowly but steadily declining in importance in the nation, but has maintained its relative importance in Alaska since the mid 1980s.
- Federal civilian employment served as a stabilizing force in the 1986-87 recession in Alaska as it fared better than other employment.

In the period between the economic lull (1978) after pipeline construction and the Alaskan recession in 1986, the state lost a significant share of federal jobs. (See Figure 2.) After 1986, however, Alaska gained a significant share of nation's new federal jobs. Federal employment increased by 11.2%, more than four and a half times the slow 2.4% growth shown in the U.S. as a whole.

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## Change in U.S. and Alaska Federal Civilian Employment

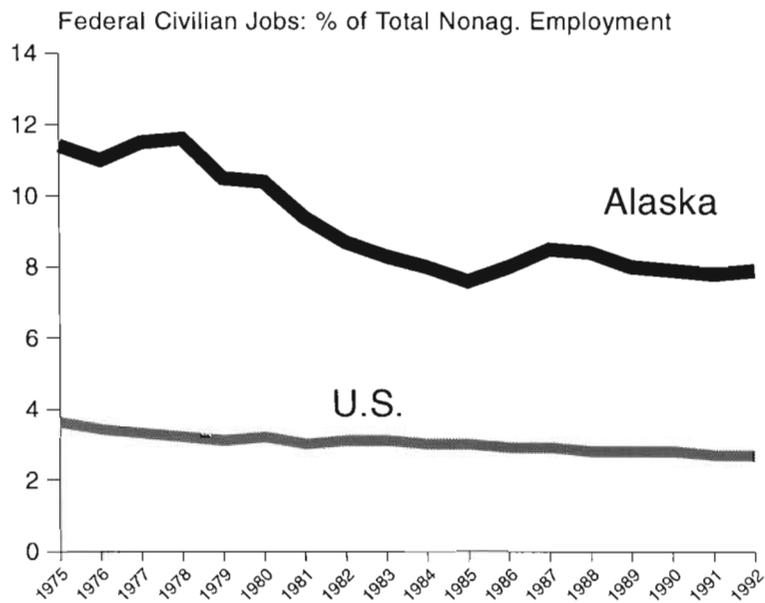
Figure • 1



Note: Includes civilian military.  
Source: Alaska Department of Labor, Research & Analysis Section.

## Federal Jobs Still More Important to Alaska than to U.S.

Figure • 2



Note: Includes civilian military.  
Source: Alaska Department of Labor, Research & Analysis Section.

## Federal Funds Distribution by State 1992

Division and State	Federal Funds		Defense	Non-defense	Direct payments to individuals	Procurement	Grants to State and local governments	Salaries and wages
	Total <sup>1</sup>	Per capita <sup>2</sup>						
<b>United States</b>	<b>1,181,373</b>	<b>4,631</b>	<b>226,045</b>	<b>955,328</b>	<b>607,433</b>	<b>199,595</b>	<b>174,448</b>	<b>160,510</b>
<b>Alaska</b>	<b>4,035</b>	<b>6,875</b>	<b>1,546</b>	<b>2,489</b>	<b>793</b>	<b>731</b>	<b>837</b>	<b>1,584</b>
<b>New England</b>	<b>66,779</b>	<b>5,059</b>	<b>13,918</b>	<b>52,861</b>	<b>34,009</b>	<b>12,842</b>	<b>11,282</b>	<b>6,277</b>
Maine	6,533	5,288	1,927	4,606	3,179	1,399	1,047	807
New Hampshire	4,281	3,854	635	3,646	2,335	499	935	399
Vermont	2,167	3,803	140	2,027	1,262	124	503	224
Massachusetts	32,832	5,473	6,664	26,168	16,224	6,861	5,218	2,922
Rhode Island	5,066	5,040	868	4,198	2,834	524	986	597
Connecticut	15,900	4,846	3,684	12,216	8,175	3,434	2,593	1,329
<b>Middle Atlantic</b>	<b>173,954</b>	<b>4,588</b>	<b>17,614</b>	<b>156,340</b>	<b>103,030</b>	<b>17,686</b>	<b>32,815</b>	<b>16,141</b>
New York	83,923	4,632	7,180	76,743	47,107	8,170	19,305	7,031
New Jersey	34,313	4,405	4,824	29,489	20,711	4,366	5,217	3,576
Pennsylvania	55,718	4,640	5,610	50,108	35,212	5,150	8,293	5,534
<b>East North Central</b>	<b>161,500</b>	<b>3,778</b>	<b>14,775</b>	<b>146,725</b>	<b>100,878</b>	<b>14,513</b>	<b>26,373</b>	<b>15,264</b>
Ohio	43,514	3,950	5,156	38,358	26,418	4,949	7,064	4,228
Indiana	19,980	3,529	2,551	17,429	12,105	1,832	3,242	1,936
Illinois	44,412	3,818	3,171	41,241	27,888	3,102	6,937	5,157
Michigan	35,752	3,789	2,570	33,182	23,182	3,183	6,004	2,605
Wisconsin	17,842	3,564	1,327	16,515	11,286	1,447	3,127	1,339
<b>West North Central</b>	<b>79,174</b>	<b>4,408</b>	<b>11,549</b>	<b>67,625</b>	<b>41,779</b>	<b>9,483</b>	<b>11,629</b>	<b>9,315</b>
Minnesota	16,806	3,751	1,812	14,994	9,002	1,897	2,894	1,496
Iowa	11,397	4,052	653	10,744	6,772	721	1,660	819
Missouri	26,093	5,025	5,272	20,821	13,105	4,679	3,498	3,179
North Dakota	3,467	5,452	473	2,994	1,506	219	603	540
South Dakota	3,330	4,683	334	2,996	1,633	236	601	520
Nebraska	6,873	4,281	969	5,904	3,691	586	997	996
Kansas	11,208	4,443	2,036	9,172	6,070	1,144	1,376	1,765
<b>South Atlantic</b>	<b>236,700</b>	<b>5,253</b>	<b>55,765</b>	<b>180,935</b>	<b>112,864</b>	<b>39,671</b>	<b>26,338</b>	<b>50,016</b>
Delaware	2,685	3,896	367	2,318	1,572	219	425	417
Maryland	32,337	6,588	7,147	25,190	12,071	7,876	2,940	6,910
District of Columbia	19,998	33,974	2,704	17,294	2,355	4,199	1,951	10,059
Virginia	40,913	6,416	17,270	23,643	15,127	9,914	2,773	11,722
West Virginia	8,127	4,485	285	7,842	5,364	304	1,668	692
North Carolina	25,739	3,762	5,488	20,251	14,328	2,185	3,971	4,624
South Carolina	15,908	4,415	3,369	12,539	7,679	2,998	2,393	2,621
Georgia	28,295	4,191	7,949	20,346	13,499	4,447	4,028	5,686
Florida	62,698	4,649	11,186	51,512	40,869	7,530	6,187	7,286
<b>East South Central</b>	<b>71,774</b>	<b>4,622</b>	<b>12,192</b>	<b>59,582</b>	<b>37,346</b>	<b>12,075</b>	<b>11,597</b>	<b>9,302</b>
Kentucky	15,541	4,139	2,225	13,316	8,806	983	2,951	2,490
Tennessee	22,533	4,485	2,226	20,307	11,720	4,301	3,658	2,501
Alabama	20,351	4,921	4,124	16,227	10,436	3,716	2,795	2,953
Mississippi	13,349	5,106	3,617	9,732	6,383	3,076	2,193	1,358
<b>West South Central</b>	<b>112,710</b>	<b>4,091</b>	<b>21,848</b>	<b>90,862</b>	<b>59,488</b>	<b>16,042</b>	<b>17,819</b>	<b>15,243</b>
Arkansas	9,957	4,151	994	8,963	6,421	466	1,691	964
Louisiana	18,605	4,340	2,549	16,056	9,348	2,216	4,417	2,089
Oklahoma	14,292	4,449	2,709	11,583	7,871	1,178	2,066	2,544
Texas	69,856	3,957	15,596	54,260	35,848	12,183	9,645	9,646
<b>Mountain</b>	<b>67,491</b>	<b>4,693</b>	<b>13,205</b>	<b>54,286</b>	<b>30,497</b>	<b>14,458</b>	<b>9,282</b>	<b>10,675</b>
Montana	4,092	4,968	286	3,806	1,960	230	765	571
Idaho	4,721	4,424	364	4,357	2,194	1,092	694	560
Wyoming	2,100	4,505	242	1,858	933	173	593	338
Colorado	17,184	4,952	4,622	12,562	6,899	4,246	1,905	3,317
New Mexico	10,390	6,571	1,739	8,651	3,482	3,809	1,379	1,485
Arizona	16,513	4,309	3,502	13,011	9,135	2,535	2,235	2,202
Utah	7,114	3,924	1,610	5,504	3,015	1,345	1,042	1,476
Nevada	5,377	4,051	840	4,537	2,878	1,029	669	726
<b>Pacific</b>	<b>185,964</b>	<b>4,566</b>	<b>47,897</b>	<b>138,067</b>	<b>87,142</b>	<b>38,383</b>	<b>26,837</b>	<b>28,262</b>
Washington	24,025	4,678	5,436	18,589	11,738	4,016	3,374	3,992
Oregon	11,712	3,934	641	11,071	7,339	589	2,050	1,329
California	139,695	4,526	37,381	102,314	64,816	32,353	19,738	18,988
Hawaii	6,497	5,603	2,893	3,604	2,456	695	839	2,369
Undistributed	25,335	(NA)	17,282	8,053	400	24,443	475	15

NA = Not Available.

<sup>1</sup> Includes other programs not shown separately.<sup>2</sup> Based on Bureau of the Census resident population as of April 1, 1992.

Source: U.S. Bureau of the Census, Federal Expenditures by State for Fiscal Year, annual.

# Anchorage Leads Job Growth

by Holly Stinson

Alaska saw a seasonal drop of 7,100 jobs in November as the economy headed into winter. (See Table 1.) The biggest losses were in construction, seafood processing, the tourist-sensitive hotel sector and government. All of these categories, however, were at or above last November's level of employment.

In spite of these job losses Alaska's unemployment rate dropped slightly, from 7.3% in October to 7.0% in November. (See Table 4.) The equivalent U.S. rate for November was 6.1%. Although the rate usually increases at this time of year, this is the fourth time in eight years the unemployment rate dipped from October to November. It is well below the November 1992 rate of 8.7% and lower than November's usual rate in recent years. Just under 19,000 Alaskans were counted as unemployed compared to more than 22,600 in 1992.

## Anchorage led employment growth in 1993

Alaska's largest city added jobs at a faster clip than any other region with 11 months of employment calculated. (See Figure 1.) Some of Anchorage's growth was in the public sector—at the federal, state and local levels. Many of Anchorage's private sector industries showed little or no growth; exceptions were found in the construction, services and retail industries.

In November retail employment in Anchorage enjoyed strong growth as Toys R Us and a Fred Meyer opened their doors. The new Fred Meyer store, along with a remodeled existing one, offer groceries as well as general merchandise, thus joining the competition for Anchorage consumers' food dollars. If the Fairbanks' experience holds true, Anchorage shoppers will see grocery prices decline in the next few months. The Fairbanks economy showed strong growth for the second month in a row, but most of the new jobs were in the retail sector, and many of these

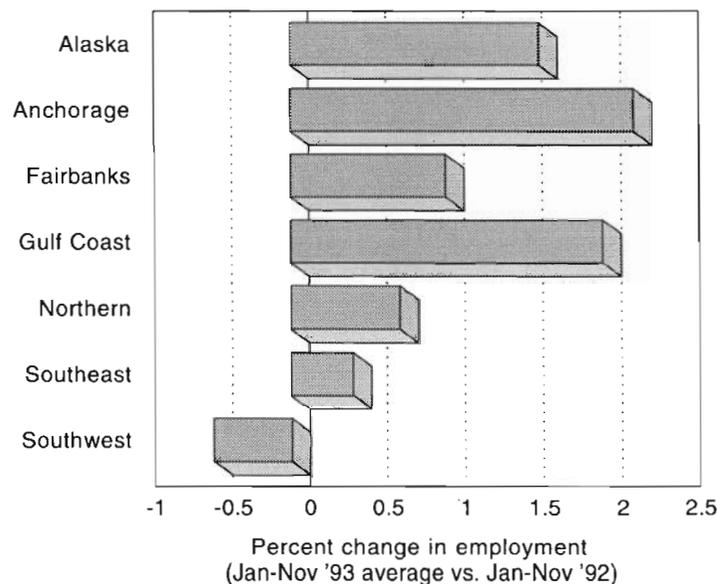
were due to the new K-Mart which opened in October.

In Southeast, Juneau shoppers also welcomed a new retailer in November as a Price-Costco warehouse store began operations. This area, too, will have more competition in the food store category by late next year since Carrs announced expansion plans. More long-term plans in the region's basic sector include the possibility of a fiber board operation at the recently-closed Sitka pulp mill. And industry-watchers are waiting for results of further mineral exploration at the closed Greens Creek mine near Juneau. Meanwhile, the shut-down of these two large operations kept over-the-year comparisons of Southeast jobs negative in November. (See Table 3.)

Holly Stinson is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. She is located in Anchorage.

Figure • 1

## Anchorage is Job Growth Leader in 1993



Source: Alaska Department of Labor, Research & Analysis

T a b l e • 1

## Nonagricultural Wage and Salary Employment by Place of Work

### Alaska

	p/	r/	Changes from		
	11/93	10/93	11/92	10/93	11/92
Total Nonag. Wage & Salary	245,800	252,900	240,700	-7,100	5,100
Goods-producing	33,500	38,600	32,800	-5,100	700
Mining	10,000	10,300	10,100	-300	-100
Construction	11,200	13,700	10,300	-2,500	900
Manufacturing	12,300	14,600	12,400	-2,300	-100
Durable Goods	3,200	3,500	3,200	-300	0
Lumber & Wood Products	2,500	2,700	2,500	-200	0
Nondurable Goods	9,100	11,100	9,200	-2,000	-100
Seafood Processing	5,800	7,700	5,700	-1,900	100
Pulp Mills	500	600	900	-100	-400
Service-producing	212,300	214,300	207,900	-2,000	4,400
Transportation	22,300	22,600	21,800	-300	500
Trucking & Warehousing	3,000	3,000	3,000	0	0
Water Transportation	1,600	1,600	1,400	0	200
Air Transportation	7,100	7,300	7,000	-200	100
Communications	3,800	3,800	3,700	0	100
Trade	49,800	49,900	47,600	-100	2,200
Wholesale Trade	7,800	7,800	7,800	0	0
Retail Trade	42,000	42,100	39,800	-100	2,200
Gen. Merch. & Apparel	8,600	8,000	7,400	600	1,200
Food Stores	7,200	7,400	7,100	-200	100
Eating & Drinking Places	13,200	13,700	12,700	-500	500
Finance-Ins. & Real Estate	11,000	11,000	10,800	0	200
Services & Misc.	54,100	55,000	52,800	-900	1,300
Hotels & Lodging Places	4,800	5,200	4,800	-400	0
Health Services	12,300	12,200	11,900	100	400
Government	75,100	75,800	74,900	-700	200
Federal	19,200	19,600	19,500	-400	-300
State	22,200	22,200	21,800	0	400
Local	33,700	34,000	33,600	-300	100

### Municipality of Anchorage

	p/	r/	Changes from		
	11/93	10/93	11/92	10/93	11/92
Total Nonag. Wage & Salary	117,500	119,200	114,000	-1,700	3,500
Goods-producing	11,200	12,700	10,400	-1,500	800
Mining	3,300	3,300	3,300	0	0
Construction	6,100	7,500	5,300	-1,400	800
Manufacturing	1,800	1,900	1,800	-100	0
Service-producing	106,300	106,500	103,600	-200	2,700
Transportation	12,100	12,200	12,000	-100	100
Air Transportation	4,500	4,600	4,400	-100	100
Communications	2,300	2,300	2,200	0	100
Trade	27,800	27,700	26,700	100	1,100
Wholesale Trade	5,700	5,700	5,600	0	100
Retail Trade	22,100	22,000	21,100	100	1,000
Local	4,300	3,800	3,700	500	600
Food Stores	3,700	3,800	3,700	-100	0
Eating & Drinking Places	7,700	8,000	7,400	-300	300
Finance-Ins. & Real Estate	6,800	6,800	6,600	0	200
Services & Misc.	30,600	30,600	29,500	0	1,100
Hotels & Lodging Places	2,300	2,300	2,300	0	0
Health Services	6,300	6,200	6,100	100	200
Government	29,000	29,200	28,800	-200	200
Federal	10,900	11,200	11,200	-300	-300
State	8,500	8,400	8,200	100	300
Local	9,600	9,600	9,400	0	200

T a b l e • 2

## Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/	11/92	p/	r/	11/92	p/	r/	11/92
	11/93	10/93		11/93	10/93		11/93	10/93	
Mining	\$1,227.01	\$1,213.50	\$1,192.30	49.1	50.0	49.7	\$24.99	\$24.27	\$23.99
Construction	983.92	1,123.47	988.45	39.2	44.6	39.1	25.10	25.19	25.28
Manufacturing	518.18	546.16	519.54	40.2	45.1	42.0	12.89	12.11	12.37
Seafood Processing	356.06	429.63	389.62	40.6	49.1	45.2	8.77	8.75	8.62
Trans., Comm. & Utilities	645.49	650.77	652.32	35.1	35.6	36.2	18.39	18.28	18.02
Trade	368.67	364.18	367.62	32.8	32.4	33.0	11.24	11.24	11.14
Wholesale	594.39	602.95	587.90	38.2	38.9	38.4	15.56	15.50	15.31
Retail	327.54	319.80	324.42	31.8	31.2	31.9	10.30	10.25	10.17
Finance-Ins. & R.E	459.36	453.83	449.83	36.0	35.4	35.9	12.76	12.82	12.53

Notes to Tables 1-3:

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

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

p/ denotes preliminary estimates.

r/ denotes revised estimates.

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

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

Benchmark: March 1992

## Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region	p/	r/	Changes from		
	11/93	10/93	11/92	10/93	11/92
Total Nonag. Wage & Salary	32,900	34,950	33,100	-2,050	-200
Goods-producing	5,000	6,250	5,450	-1,250	-450
Mining	100	100	350	0	-250
Construction	1,450	1,650	1,300	-200	150
Manufacturing	3,450	4,500	3,800	-1,050	-350
Durable Goods	2,050	2,250	2,050	-200	0
Lumber & Woods Products	1,950	2,150	2,000	-200	-50
Nondurable Goods	1,400	2,250	1,750	-850	-350
Seafood Processing	700	1,450	650	-750	50
Pulp Mills	500	600	900	-100	-400
Service-producing	27,900	28,700	27,650	-800	250
Transportation	2,700	2,850	2,650	-150	50
Trade	5,900	5,950	5,650	-50	250
Wholesale Trade	600	550	550	50	50
Retail Trade	5,300	5,400	5,100	-100	200
Finance-Ins. & Real Estate	1,200	1,200	1,200	0	0
Services & Misc.	5,450	5,650	5,400	-200	50
Government	12,650	13,050	12,750	-400	-100
Federal	2,150	2,200	2,100	-50	50
State	5,350	5,450	5,450	-100	-100
Local	5,150	5,400	5,200	-250	-50

### Anchorage-MatSu Region

Total Nonag. Wage & Salary	126,000	128,200	122,350	-2,200	3,650
Goods-producing	11,800	13,450	11,050	-1,650	750
Mining	3,400	3,450	3,450	-50	-50
Construction	6,550	8,050	5,650	-1,500	900
Manufacturing	1,850	1,950	1,950	-100	-100
Service-producing	114,200	114,750	111,300	-550	2,900
Transportation	12,900	13,150	12,700	-250	200
Trade	29,950	29,950	28,850	0	1,100
Finance-Ins. & Real Estate	7,150	7,150	6,950	0	200
Service & Misc.	32,450	32,500	31,200	-50	1,250
Government	31,750	32,000	31,600	-250	150
Federal	11,050	11,300	11,250	-250	-200
State	9,250	9,250	9,050	0	200
Local	11,450	11,450	11,300	0	150

### Gulf Coast Region

Total Nonag. Wage & Salary	23,100	25,400	22,650	-2,300	450
Goods-producing	4,950	6,600	5,100	-1,650	-150
Mining	1,200	1,250	1,200	-50	0
Construction	1,100	1,350	1,050	-250	50
Manufacturing	2,650	4,000	2,850	-1,350	-200
Seafood Processing	1,550	2,750	1,850	-1,200	-300
Service-producing	18,150	18,800	17,550	-650	600
Transportation	2,100	2,100	2,050	0	50
Trade	4,350	4,600	4,000	-250	350
Wholesale Trade	450	500	450	-50	0
Retail Trade	3,900	4,100	3,550	-200	350
Finance-Ins. & Real Estate	600	600	600	0	0
Services & Misc.	4,850	5,200	4,650	-350	200
Government	6,250	6,300	6,250	-50	0
Federal	550	550	600	0	-50
State	1,800	1,850	1,750	-50	50
Local	3,900	3,900	3,900	0	0

Interior Region	p/	r/	Changes from:		
	11/93	10/93	11/92	10/93	11/92
Total Nonag. Wage & Salary	33,350	34,100	32,450	-750	900
Goods-producing	2,650	3,100	2,650	-450	0
Mining	650	650	650	0	0
Construction	1,350	1,750	1,400	-400	-50
Manufacturing	650	700	600	-50	50
Service-producing	30,700	31,000	29,800	-300	900
Transportation	2,250	2,450	2,200	-200	50
Trade	7,100	7,150	6,650	-50	450
Finance-Ins. & Real Estate	1,100	1,100	1,100	0	0
Services & Misc.	7,000	7,150	6,750	-150	250
Government	13,250	13,150	13,100	100	150
Federal	3,900	3,950	3,950	-50	-50
State	4,850	4,750	4,700	100	150
Local	4,500	4,450	4,450	50	50

### Fairbanks North Star Borough

Total Nonag. Wage & Salary	29,500	29,900	28,500	-400	1,000
Goods-producing	2,500	2,850	2,450	-350	50
Mining	500	500	500	0	0
Construction	1,350	1,650	1,350	-300	0
Manufacturing	650	700	600	-50	50
Service-producing	27,000	27,050	26,050	-50	950
Transportation	1,900	2,050	1,850	-150	50
Trucking & Warehousing	450	500	500	-50	-50
Air Transportation	500	500	450	0	50
Communication	250	250	300	0	-50
Trade	6,750	6,750	6,250	0	500
Wholesale Trade	800	800	800	0	0
Retail Trade	5,950	5,950	5,450	0	500
Gen. Merch. & Apparel	1,400	1,350	1,150	50	250
Food Stores	700	750	700	-50	0
Eating & Drinking Places	2,000	2,050	1,900	-50	100
Finance-Ins. & Real Estate	1,050	1,050	1,050	0	0
Services & Misc.	6,450	6,500	6,200	-50	250
Government	10,850	10,700	10,700	150	150
Federal	3,300	3,300	3,300	0	0
State	4,600	4,500	4,500	100	100
Local	2,950	2,900	2,900	50	50

### Southwest Region

Total Nonag. Wage & Salary	15,900	16,050	15,350	-150	550
Goods-producing	3,850	3,850	3,450	0	400
Seafood Processing	3,450	3,400	3,000	50	450
Service-producing	12,050	12,200	11,900	-150	150
Government	6,400	6,450	6,400	-50	0
Federal	1,200	1,200	1,250	0	-50
State	550	500	500	50	50
Local	4,650	4,750	4,650	-100	0

### Northern Region

Total Nonag. Wage & Salary	14,400	14,500	14,350	-100	50
Goods-producing	5,100	5,300	5,150	-200	-50
Mining	4,650	4,800	4,500	-150	150
Service-producing	9,300	9,200	9,200	100	100
Government	4,850	4,750	4,700	100	150
Federal	250	250	250	0	0
State	350	350	350	0	0
Local	4,250	4,150	4,100	100	150

## Discouraging news from the oil patch

While the Southeast region was the only area with fewer jobs this November than the same month in 1992, the Northern region just barely managed to register on the plus side. And there was more disappointing news on the oil exploration front. Arco Alaska announced that their third exploration well drilled in the Beaufort Sea this year failed to find commercial quantities of oil—the same results that their first two wells produced. The company followed this announcement with news that the two wells drilled recently in Cook Inlet confirmed that their Sunfish discovery in Cook Inlet was significantly smaller than the 750 million barrel giant they originally thought it would be.

## New projects for Cordova and Copper Valley

Not all was bad news, however, in the Gulf Coast region. The beleaguered town of Cordova received an early holiday present when Princess Tours announced they will begin building a 100-room hotel next summer. In addition to construction jobs, the new facility will mean about 100 seasonal jobs. The plans gave residents a psychological boost and can only help local efforts at increasing tourism in the area.

Farther north, in the Copper Valley area, Gakona was chosen by the Air Force as the site for a \$175 million research project known as HAARP (High Frequency Active Auroral Research Program). It will be built on the old site of the over-the-horizon backscatter radar project for which Congress eliminated funding in 1989. So far, Congress has allocated less than one-third of the needed money for the HAARP project. If all goes as planned it will bring a few new jobs into an area where job opportunities—especially well-paying year-round ones—are scarce.

On the seafood front, November kicked off this year's crab season. A larger quota than last year for red king crab in Bristol Bay allowed for a catch 63% higher but resulted in somewhat lower prices. Tanner crab harvesting got underway in the Bering Sea, and processing employment in the Southwest region took the opposite tack from the Gulf Coast and Southeast declines by increasing slightly from October.

Table • 4

## Unemployment Rates by Region & Census Area

	Percent Unemployed		
	p/ 11/93	r/ 10/93	11/92
<b>Alaska Statewide</b>	7.0	7.3	8.7
<b>Anch.-MatSu Region</b>	5.8	6.3	7.7
Municipality of Anchorage	5.1	5.6	6.9
MatSu Bor.	10.8	10.8	13.1
<b>Gulf Coast Region</b>	10.9	9.7	14.0
Kenai Peninsula Bor.	11.4	11.4	14.2
Kodiak Island Bor.	10.6	5.2	17.1
Valdez-Cordova	9.1	8.8	8.8
<b>Interior Region</b>	8.7	9.4	10.1
Denali Bor.	13.5	10.7	12.0
Fairbanks North Star Bor.	8.0	8.8	9.5
Southeast Fairbanks	13.2	13.3	13.8
Yukon-Koyukuk	14.2	15.2	15.5
<b>Northern Region</b>	7.9	9.1	9.9
Nome	8.5	9.0	9.4
North Slope Bor.	4.5	5.3	4.3
Northwest Arctic Bor.	11.9	14.6	17.9
<b>Southeast Region</b>	7.2	6.9	8.0
Haines Bor.	8.4	6.2	8.8
Juneau Bor.	5.7	6.4	7.0
Ketchikan Gateway Bor.	7.3	6.3	9.0
Pr. of Wales-Outer Ketch	9.6	8.8	10.4
Sitka Bor.	7.9	6.6	6.3
Skagway-Yakutat-Angoon	11.2	10.1	9.0
Wrangell-Petersburg	8.2	7.9	9.6
<b>Southwest Region</b>	5.0	5.8	5.8
Aleutians East Bor.	1.7	1.9	1.5
Aleutians West	1.8	2.4	1.8
Bethel	6.4	7.9	8.4
Bristol Bay Bor.	8.3	6.9	4.8
Dillingham	7.3	8.3	9.2
Lake & Peninsula Bor.	6.8	6.8	7.2
Wade Hampton	9.2	9.1	9.2
<b>Seasonally Adjusted Rates</b>			
Alaska Statewide	6.9	7.3	8.8
United States	6.4	6.8	7.3

p/ denotes preliminary estimates r/ denotes revised estimates  
Benchmark: March 1992

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

Source: Alaska Department of Labor, Research & Analysis

# The Alaska Economic Trends Index: 1993 Articles

## January

*Welfare in Alaska—Help or Hindrance to Self-Sufficiency?*

Examines the welfare program in Alaska.  
*Employment Scene*—October 1992  
Alaska's October employment and unemployment data examined.

## February

*Alaska's Education Reform Initiatives*

The future of Alaska's youth in the workplace.  
*Employment Scene*—November 1992  
Same as above and repeated for each month.

## March

*Alaska Wages Rates for Selected Occupations*

Excerpts from recently released publication.  
*Employment Scene*—December 1992

## April

*Slow Growth Continues Through 1992*

The year in review, 1992.  
*On the Annual Benchmark Revision*  
Benchmark revision completed for employment estimates for 1991 and 1992.  
*Employment Scene*—January 1993

## May

*Alaska Forecast: Retail, Construction Lead Growth Through '94*

Statewide, Anchorage and Fairbanks economies examined.  
*Employment Scene*—February 1993

## June

*More Nonresident Workers in Alaska—1991*

Increase of nonresidents working in Alaska.  
*Employment Scene*—March 1993

## July

*Denali Borough Economy*

Denali Borough's economy examined.  
*Summer Job Scene: What's a Young Worker To Do?*  
Seasonal employment of young workers in Alaska.  
*Employment Scene*—April 1993

## August

*The Trends 100*

Alaska's largest private employers listed in 1992.  
*Alaska Occupational Injuries and Illnesses Decline in 1991*  
Excerpts from recently released publication.  
*Employment Scene*—May 1993

## September

*The Military—Still An Economic Force*

Examines the military's role in Alaska's economy.  
*The Ex-Military: Alaska's Veteran Population*  
Census data on Alaska's veteran population.  
*Employment Scene*—June 1993

## October

*TRENDS Profiles*

Northwest Arctic and Juneau Boroughs.  
*Employment Scene*—July 1993

## November

*Measuring Alaska's Cost of Living*

Latest cost of living measurements available.  
*Employment Scene*—August 1993

## December

*It's Getting Harder to Earn a Buck*

Inflation the biggest factor in Alaska's low income growth.  
*Employment Scene*—September 1993

