

# ALASKA ECONOMIC **TRENDS**



JUNE 2015

## JUNEAU'S HOUSING MARKET

### ALSO IN THIS ISSUE

Jobs in bars and restaurants  
Alaska's youngest workers

# ALASKA ECONOMIC TRENDS

JUNE 2015

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## JUNEAU'S HOUSING MARKET

More zero lot lines and duplexes, buildable land at a premium

PAGE 4

By KARINNE WIEBOLD

## BAR and RESTAURANT JOBS in ALASKA

We have a smaller share than the rest of the U.S.

PAGE 11

By CONOR BELL

## ALASKA'S YOUNGEST WORKERS

Teens a smaller share of population and workforce in recent years

PAGE 15

By MALI ABRAHAMSON

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Juneau, photo by Sam Dapcevich

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# Partnerships, policies help us increase Alaska Hire



**By Heidi Drygas**  
Commissioner



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Governor Walker strongly supports Alaska Hire, and it is my top priority at the Department of Labor and Workforce Development. Creating more job opportunities for Alaskans requires coordination across a range of industries and use of many different public policy tools. Alaska Hire also demands consideration of labor market conditions, from the availability of affordable housing to the supply of skilled workers in particular industries.

Our department's Job Center staff has been on the front lines of our Alaska Hire efforts for many years. I intend to implement policies and partnerships to both support and enhance their direct work with employers and employees.

June *Trends* examines the Juneau housing market and young workers in Alaska. Like many Alaska communities, Juneau has an acute shortage of affordable housing. Business groups caution that an adequate supply of affordable housing is critical for effective workforce development.

Our Alaska Workforce Investment Board members agree, and recently discussed the nexus between housing availability and workforce development at the board's May meeting. Here's the bottom line: insufficient affordable housing exacerbates shortages of skilled workers in our communities, and that makes it harder for companies to hire locally. Lack of affordable housing also discourages highly skilled young workers from staying in Alaska, and we can't afford a brain drain to the Lower 48.

In some cases, the Department of Labor can work with employers to address this challenge. For example, I recently met with representatives of several large seafood processors to talk about how we can increase Alaska Hire in that industry. The Department of Labor has rented AVTEC dormitory rooms to processing employees in Seward to address the housing shortage during limited periods when dorms aren't being used by AVTEC students. We have also worked in partnership with seafood processors and the Department of Corrections on work release programs that allow supervised, low-risk inmates to work in processing plants. These work release pro-

grams increase the rate of Alaska Hire and help train inmates in the kind of employment skills they'll need once they're released. We are also working closely with processors to hire returning citizens after they complete their sentences.

With the current budget situation, Alaska simply can't afford the ever-rising costs associated with increased incarcerated populations. Every year, roughly 6,000 Alaskans are released upon completion of their prison sentence. They are our neighbors, and in many cases, our family members and friends. If they can't get a job, and find meaningful work to provide for themselves and their families, they are more likely to return to a life of crime. My department is committed to working closely with employers and the Department of Corrections to ensure former inmates can achieve financial independence and stay out of prison. Recidivism reduction is an important element of our Alaska Hire efforts.

Apprenticeships are another key policy tool to meet Alaska Hire goals. Construction apprenticeships have created great career paths for decades in Alaska, but apprenticeship isn't limited to the trades. We're also using registered apprenticeships as a tool to expand the supply of skilled, credentialed workers that employers demand. From advanced manufacturing to IT to health care, registered apprenticeships can help train our next generation workforce. We're working with the federal Department of Labor to expand our Job Centers' capacity to assist employers with development of apprenticeships. Of course, apprenticeships will continue to be the bedrock of developing our construction and resource development workforce. They are also an important tool for our evolving, technologically sophisticated labor market, and smart use of apprenticeships will ensure more Alaskans get hired for jobs in their community.

Alaska Hire is good for our families, good for local businesses, and good for our state's economy. From seafood employment to local housing solutions to the use of registered apprenticeships, we're using every tool in the toolbox to create more job opportunities for Alaskans.

# Juneau's Housing Market

More zero lot lines and duplexes, buildable land at a premium

By KARINNE WIEBOLD

Juneau is full of historically and politically important homes. The National Register of Historic Places includes the governor's mansion, completed in 1912, the summer cabin of territorial governor Ernest Gruening at Amalga Harbor, built in 1947, and the Wickersham house, home of one of Alaska's most notable judges and statesmen, built in 1898.

Alaska's capital city is also home to the legislative session and about 33,000 residents and 12,100 households. With a limited road system and a lot of water, mountains, and ice fields, Juneau residents have formed distinct, spread-out subcommunities, as we outlined in an article on Juneau's neighborhoods in the April 2015 edition of *Trends*.

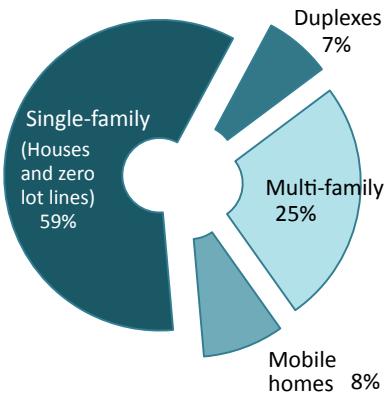
Within these neighborhoods, Juneau residents live mainly in single-family homes (see Exhibit 1), which include a higher-than-average share of attached homes, often called zero lot lines. Zero lot lines share a wall but are legally separate, privately owned properties.

Zero lot lines make up 11 percent of the city's total housing stock, above the statewide average of 8 per-

1

## Most Homes Single-Family

JUNEAU HOUSING INVENTORY



Source: U.S. Census Bureau, American Community Survey 2009-2013

cent and much higher than the national average of 6 percent. Their prevalence is likely due to Juneau's limited availability of buildable land.

Fifty-nine percent of Juneau's homes are single-family, compared with 71 percent statewide and 68 percent

for the U.S. as a whole. Some of the difference is in Juneau's higher percentage of duplexes, which are like zero lot lines but owned as a single property. Duplexes make up 7 percent of local housing stock versus the state and national averages of 5 and 4 percent, respectively.

Juneau's relatively limited land also lends itself to density in the form of multi-family properties of three or more units, which make up a quarter of the local housing stock, compared with 19 percent for Alaska and 22 percent nationally.

The city also has a higher percentage of mobile homes, at 8 percent versus 5 percent statewide and 7 percent nationally. For many households, these offer an affordable, entry-level home ownership option in an area with high living costs.

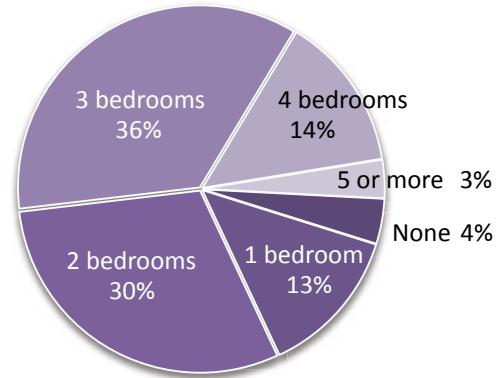
Like other coastal communities, Juneau has another housing option that frequently flies below the radar: boats. Liveabards and houseboats are a viable housing choice in Juneau, which has four city-operated harbors that allow people to live aboard their vessels. Two adjacent harbors are in downtown Juneau, one is on Douglas Island, and one is in Auke Bay. According to City and Borough of Juneau Docks and Harbors, approximately 140 vessels have residents.

## Most homes fairly small

Nearly half of Juneau homes are on the small side at no more than two bedrooms, while nationwide only 40 percent are that small. Juneau homes generally have between one and three bedrooms, with 17 percent of units having more. (See Exhibit 2.)

Two- and three-bedrooms are most common, making

## 2 3-Bedrooms Most Common JUNEAU HOUSING



*Source: U.S. Census Bureau, American Community Survey 2009-2013*

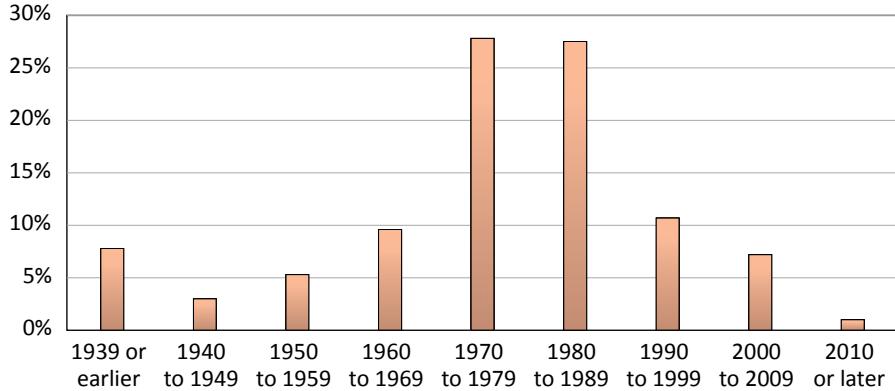
up two-thirds of Juneau's housing stock.

Homes with no bedrooms are at 4 percent, below the statewide average of 6 percent but double the national average. In Juneau, the majority of zero-bedroom units are studio apartments and mother-in-law apartments rather than one-room cabins, which are a more significant part of this category statewide.

## '70s, '80s were the housing boom

Like the state as a whole, Juneau's housing boom was in the 1970s and '80s, when over half its housing stock was built. (See Exhibit 3.) Nationally, it's more evenly distributed among decades.

## 3 Most Were Built in the '70s and '80s JUNEAU HOUSING

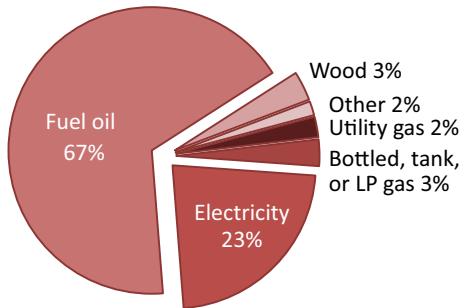


*Source: U.S. Census Bureau, American Community Survey 2009-2013*

# 4

## Two-Thirds Use Oil

JUNEAU HOME HEAT SOURCES



*Source: U.S. Census Bureau, American Community Survey 2009-2013*

Housing in Alaska, and Juneau in particular, took off in the heyday of oil field exploration and development. Oil revenue bolstered the state's finances and allowed the young state government to mature, having transitioned from a territory in 1959.

Eight percent of Juneau's housing was built before 1940, which is four times higher than the state as a whole. Southeast Alaska was settled earlier than other areas of Alaska, with fur traders and miners arriving in the 1800s. The region's abundant fisheries and proximity to Lower 48 markets also played an important role.

### Oil, hydroelectric most common

Two-thirds of Juneau homes heat with fuel oil. (See Exhibit 4.) The state average for heating oil use is about half that at 32 percent, driven down by relatively inexpensive natural gas in Anchorage, the Matanuska-Susitna Borough, and the Kenai Peninsula.

Heating fuel dominates in areas without natural gas, with electricity playing a major role in communities with hydroelectricity. Juneau is one of those, with a variety of dam and river/creek projects generating hydropower at a cost of 12 cents per kilowatt hour in the winter and 10 cents in the summer.

For perspective, Anchorage residents pay between 15 and 16 cents/kWh, and Fairbanks pays 18 cents/kWh. According to the U.S. Energy Information Administration, the national average was also 12 cents/kWh.

### Most moved in fairly recently

The majority of Juneau residents moved into their current home fairly recently, between 2000 and 2009. At least 20 percent of Juneau's householders have moved in since 2010, reflecting a combination of newcomers

and those who merely switched residences. (See Exhibit 5.)

According to recent census estimates, 31 percent of owner occupied-homes in Juneau are not mortgaged, which is slightly lower than the state and national averages.

### About Juneau's many renters

Alaska's fairly young and mobile population, combined with the high cost of buying a home, means the state has traditionally had a higher rate of renting than the nation as a whole.

Over the last three decades, Fairbanks and Anchorage had lower rates of home ownership than the state average, while Juneau's was a bit higher. However, Juneau's percentage of homeowners fell slightly behind the state average with the 2010 Census. (See Exhibit 6.)

Renters tend to have smaller households than owners. (See Exhibit 7.) According to the most recent census estimates, Juneau's renter households average 2.25 people and owner households average 2.76. Juneau's household size for renters is smaller than state or national averages. For owners, it's smaller than the state average but larger than the national average.

Nearly 40 percent of Juneau renters are a single person, a bit more than twice the percentage of single-person owner households. Owners are most likely to live in households of two people (40 percent), and 77 percent of all owner households have no more than three people.

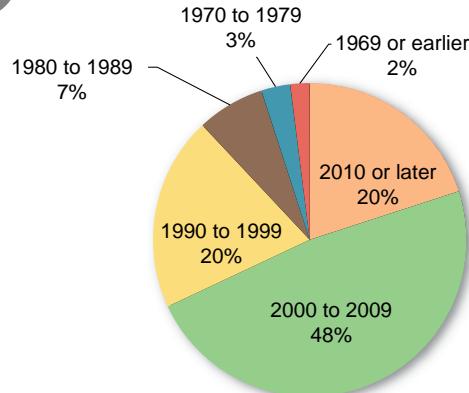
The majority of all households have one or two people, at 58 percent of owner households and 67 percent of renter households.

Renters are generally younger than owners, with 39

# 5

## When They Moved In

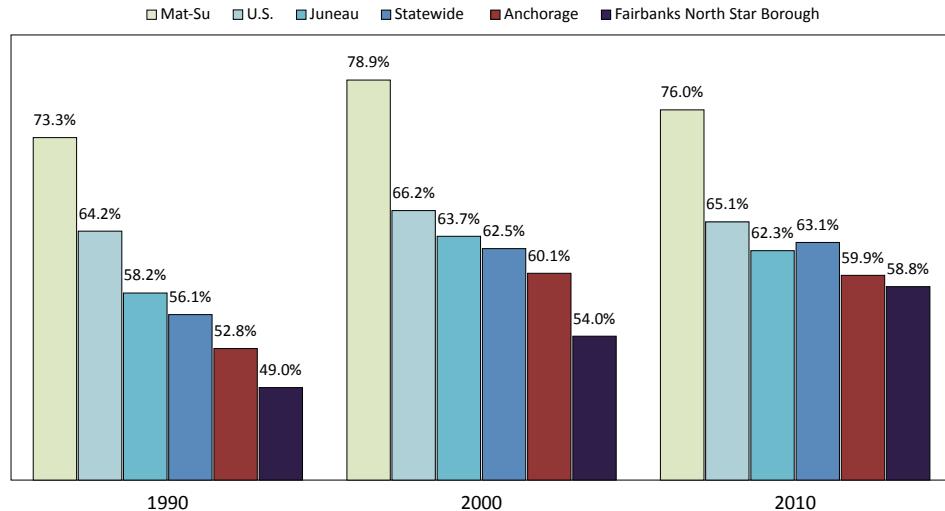
JUNEAU RESIDENTS' CURRENT HOME



*Source: U.S. Census Bureau, American Community Survey 2009-2013*

# 6 Juneau Home Ownership Is About Average

RATES IN ALASKA AND NATIONWIDE, 1990 TO 2010



Source: U.S. Census Bureau, 1990, 2000, and 2010 censuses

percent age 34 or younger, while only 10 percent of owners are that young. Seventy-one percent of owners are older than 45, compared with 39 percent of renters. (See Exhibit 8.)

Regardless of income, renters spend more of it on housing. According to the census, 30 percent of renters spend 35 percent or more of their income on housing, while only 20 percent of owners are similarly cost burdened. On the other side of the spectrum, 33 percent of Juneau homeowners with a mortgage and 29 percent of renters spend less than one-fifth of their income on housing. (See Exhibit 9.)

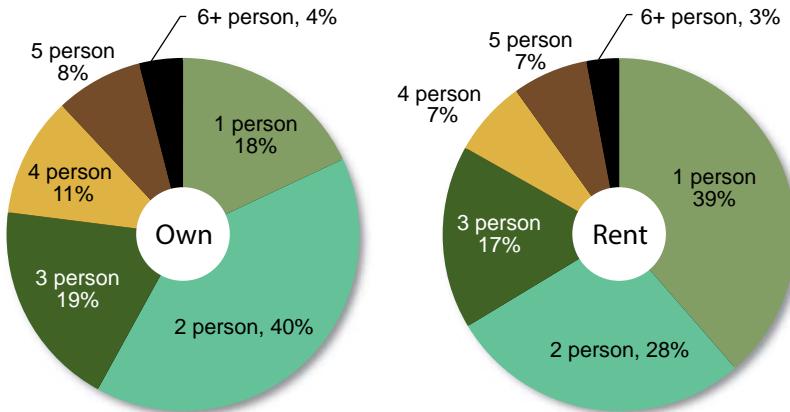
Homeowners carrying a mortgage paid a median of \$2,144 a month, while the median for renters was \$1,178.

## Single-family rent has gone up most

Our annual rental survey, conducted in March each year, provides details on rents and vacancies in communities across Alaska. Average rent in Juneau, including utilities, has increased 25 percent since 2004, rising from \$1,005 to \$1,259 per month. Anchorage, which has a comparable rental market in terms of rents and vacancy rates, increased 48 percent, from \$844 to \$1,250.

# 7 Owner Households are Larger

## RENTER VS. OWNER HOUSEHOLD SIZES IN JUNEAU



Source: U.S. Census Bureau, American Community Survey 2009-2013

Juneau's average rent for single-family homes, including utilities, has increased 41 percent since 2004, from \$1,258 to \$1,779. Apartment rent has risen from \$985 to \$1,196, up 21 percent. (See Exhibit 10.)

Over the last 10 years, rent in Juneau has generally been near the top of the spread, with Kodiak and Valdez-Cordova being more expensive, Anchorage and Sitka being fairly close, and Mat-Su, Ketchikan, Kenai, and Wrangell-Petersburg being less expensive.

Juneau has some of the lowest vacancy rates in the state, ranging from a 10-year high of 6.3 percent in

## Affordability indexes and how they work

The Alaska Department of Labor and Workforce Development creates indexes to monitor housing affordability across Alaska. The indexes measure a number of economic housing factors and how they interact, producing a single value.

The Alaska Affordability Index considers sales prices, loan amounts, income, and interest rates to estimate how many wage earners it would take to afford a 30-year conventional mortgage for an average-priced home with 15 percent down, given the average interest rate and average income. Put another way, it tells you how many people have to bring in a paycheck to afford a home.

The Rental Housing Index is similar but uses average contract rents. Contract rent is the amount charged to a tenant by the landlord without making adjustments for utilities that aren't already included in the rent.

An index value of 1.0 means exactly one person's income is required to afford a typical home or the average rent. An increasing number means additional income is necessary, making housing less affordable.

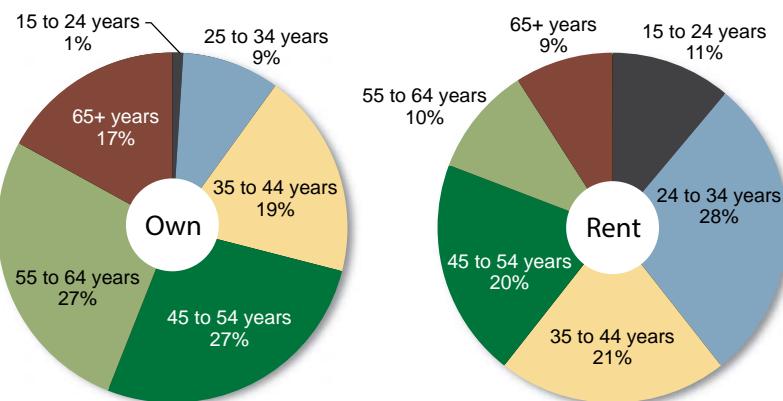
The index monitors housing affordability based only on factors the Department of Labor and Workforce Development measures on a regular basis. However, many other factors affect affordability, some of which are unique to households' situations and would be difficult to measure consistently. These include:

- Hazard insurance and mortgage insurance
- Property taxes, which vary by area and property size
- Utilities, which can be substantial and vary depending on energy type
- Adjustable rate mortgages, where monthly payments can change dramatically based on interest rate shifts

8

## Renters Are Younger

AGES OF RENTERS VS. OWNERS IN JUNEAU

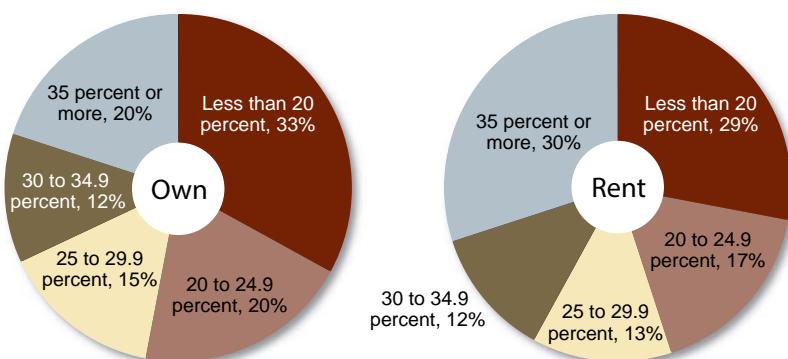


Source: U.S. Census Bureau, American Community Survey 2009-2013

9

## Renters Spend Larger Share of Income

JUNEAU, 2009 TO 2013



Source: U.S. Census Bureau, American Community Survey 2009-2013

2005 to a low of 3.2 percent in 2011 and 2012. Juneau's average vacancy rate between 2004 and 2014 was 4.5 percent, while the survey-wide rate was 6.3 percent.

Anchorage and Kodiak, two other high-priced rental markets, had similarly low vacancies over the same period, at 4.5 percent and 4.4 percent respectively. Low vacancies are typical of high cost areas. As renters compete for a limited number of rentals, prices often rise in response.

## Sales prices didn't lose much ground

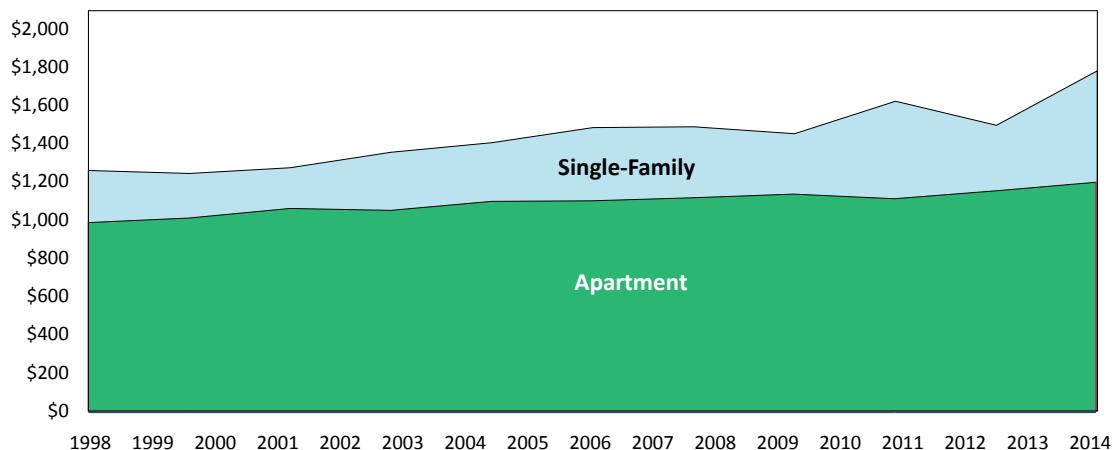
For perspective on sales prices over the last two decades, it's useful to inflation-adjust prices to control for the changing value of money.

Adjusted sales prices in the state and nation peaked in 2006, while Juneau's peaked a year later. All three markets have tapered since. After

10

## Average Rent for a House vs. an Apartment

JUNEAU AVERAGE RENTS, 1998 TO 2014

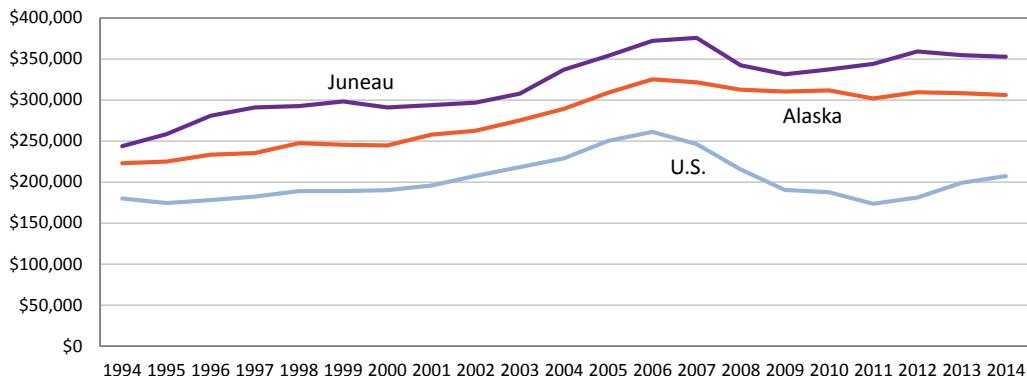


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

11

## Average Sales Prices Even Out

SINGLE-FAMILY HOUSES, ADJUSTED FOR INFLATION, 1994 TO 2014



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and National Association of Realtors

its peak, Juneau's sales prices fell a bit faster than the state's but have also recovered more. (See Exhibit 11.)

National single-family house prices were 21 percent lower in 2014 than at their 2006 peak, while Alaska's dipped just 6 percent, Juneau's 5 percent, and Anchorage's 4 percent. Overall, Alaska weathered the housing market downturn very well, which is generally attributed to fewer risky loans and less speculative building.

Single-family house prices have gone up more in Juneau and statewide over the last two decades than they have nationwide, where adjusted housing prices

were only 15 percent higher in 2014 than they were in 1994. In Juneau, the real increase was 45 percent, and for the whole state it was 37 percent.

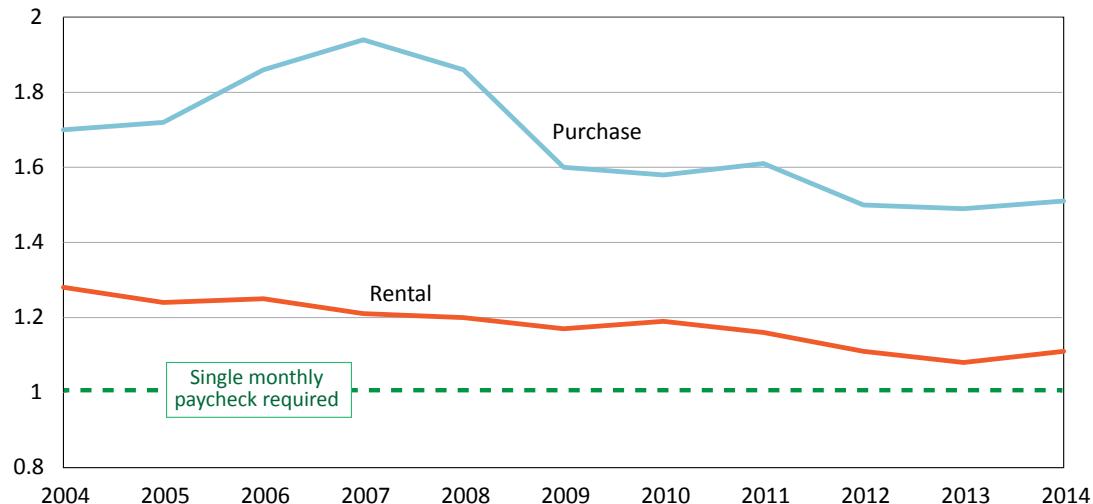
### Renting more affordable

Housing affordability indexes look at the number of average incomes required to afford the average rent or mortgage payment, taking into account an area's average wages. For homebuyers, housing cost incorporates the average sales price and interest rate to approximate a monthly mortgage payment, and for

# 12

## Affordability of Renting vs. Buying in Juneau

2004 TO 2014



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

renters it's simply the average rent.

Rental affordability has been more constant than purchase affordability over the last decade and a half. The largest difference between renting and purchasing was in 2007, when it would have required nearly three-quarters of an additional income to buy rather than rent. In recent years, the affordability difference between buying and renting in Juneau has narrowed, but it was closest in 1998, when it only required a quarter of an additional income to buy. (See Exhibit 12.)

Alaska's rental affordability index averaged 1.02 over the last ten years, meaning a person with roughly the average income in Alaska could afford the average rent. In Juneau, the 10-year average was 1.18 and it's been on a gentle decline as a rise in income has slightly outpaced rent increases. (See the sidebar on page 8 for more about affordability indexes.)

Juneau is a less affordable place to purchase a home than the state average, with the Juneau index generally

running two-tenths to three-tenths of a percentage point higher.

The Juneau homeowner affordability index has ranged from a high of 1.94 in 2007 to a low of 1.49 in 2013. Over the last 10 years, it's averaged 1.67. Values were highest from 2006 to 2008 as interest rates rose temporarily, increasing the cost of purchasing, while 2006 and 2007 were also high points for Juneau's sales prices.

Generally, interest rates have been on a steady decline, hitting historic lows and pushing the affordability index down. The level of affordability seen in the last two years is unlikely to last, though, as it's driven by record low interest rates that are not expected to last.

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

# BAR AND RESTAURANT JOBS IN ALASKA

We have a smaller share than all but one other state

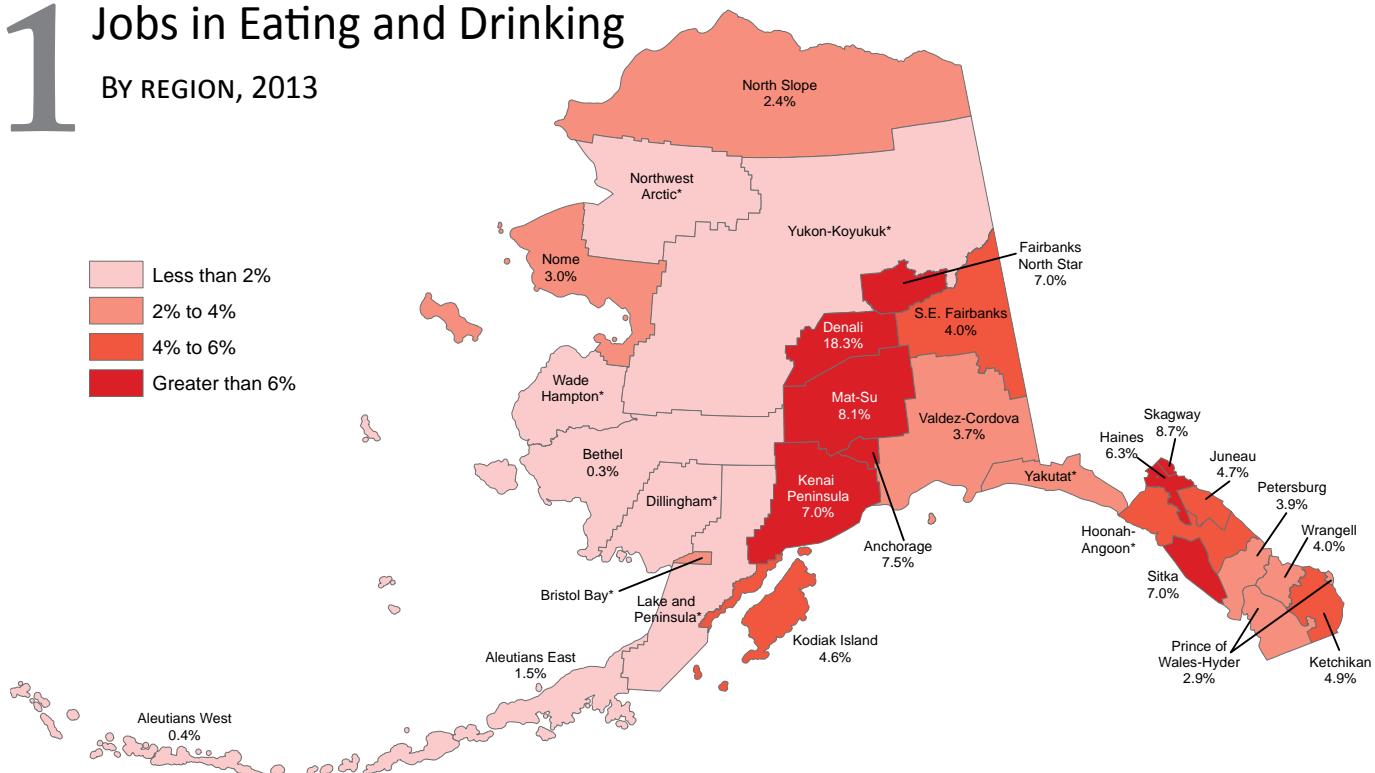
By CONOR BELL

**R**estaurants and bars are some of the most visible employers in the state, but overall, Alaska has relatively few of them. Alaska is 49th in the nation for its share of employment in food and drinking places, topping only New Jersey.

This might come as a surprise because Alaska has so

much tourism, but even some of the larger communities with heavy visitor traffic, such as Juneau and Ketchikan, are lower than the already-low statewide average. Cruise ships don't stay in port overnight and they provide meals on board, so passengers eat and drink on shore only to the extent it's enticing or convenient. Only in areas especially dependent on tourism, such as Denali and Skagway, do visitors generate a high percentage of restaurant and bar jobs.

## 1 Jobs in Eating and Drinking BY REGION, 2013



\*Not disclosable   Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

# 2

## Percent of States' Jobs

EATING AND DRINKING, 2013

State	Percent of all jobs	Percent more/less than U.S.
1 Hawaii	9.8%	28%
2 Nevada	9.1%	18%
3 South Carolina	9.1%	18%
4 Rhode Island	9.0%	16%
5 Florida	8.9%	16%
6 Colorado	8.5%	11%
7 Montana	8.4%	10%
8 Georgia	8.3%	8%
9 North Carolina	8.3%	8%
10 New Mexico	8.3%	7%
<b>United States</b>	<b>7.7%</b>	
41 Pennsylvania	6.8%	-11%
42 Minnesota	6.8%	-11%
43 New York	6.8%	-11%
44 Utah	6.8%	-12%
45 Connecticut	6.7%	-13%
46 Iowa	6.6%	-15%
47 North Dakota	6.4%	-17%
48 Vermont	6.3%	-18%
49 Alaska	6.3%	-19%
50 New Jersey	6.2%	-19%

Source: U.S. Bureau of Labor Statistics

Denali and Skagway, major tourist hubs with small populations, are two of just three Alaska boroughs or census areas with bar and restaurant employment above the national average of 7.7 percent. (See Exhibit 1.)

Skagway's overall employment triples from January to July, and Denali's increases by a factor of five. Their annual influx of visitors and seasonal workers leads to a stock of eateries that far outstrips the demands of year-round residents.

The third area that tops the national average is the Matanuska-Susitna Borough. Mat-Su has a large and growing population, but is very dependent on the Anchorage job market. As a result, a higher concentration of Mat-Su jobs are in service industries such as restaurants and bars.

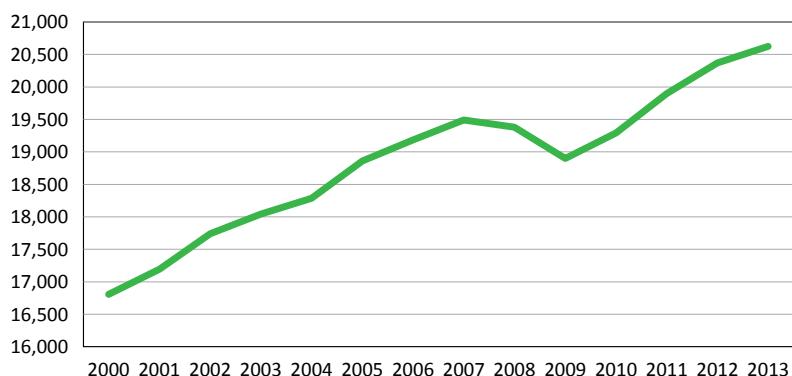
In general, the most populated areas such as Fairbanks and Anchorage have restaurant and bar employment above the statewide average of 6.3 percent. Though Anchorage is well above the statewide average, it still falls just below the national average. It's grown rapidly over the past decade, though: 58 percent faster than the city's overall employment. Anchorage residents have noted a growth in selection in recent years, from trendy restaurants serving locally sourced ingredients to national chains like Hard Rock Café, Olive Garden, and Texas Roadhouse.

At the other extreme, sparsely populated areas such as Wade Hampton and Lake and Peninsula census areas had no bar or restaurant employment in 2013. Businesses that sell food or drinks in these areas would likely be hotels or lodges, which is where the jobs would be counted. (See the sidebar on page 14.)

# 3

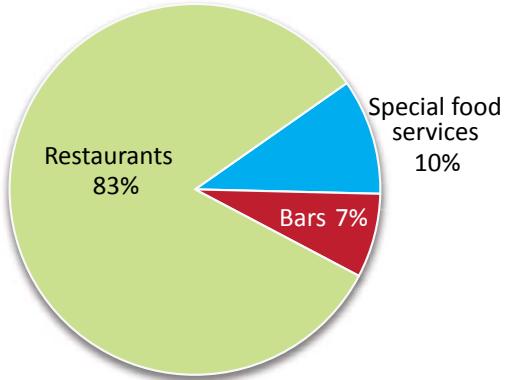
## Eatery, Bar Employment on Steady Rise

ALASKA, 2000 TO 2013



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

## 4 Most Jobs in Restaurants ALASKA, 2013



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

### Jobs have continued to grow

During 2013, Alaska had 20,609 jobs in bars and restaurants, making up 6.3 percent of the state's total employment. The national average was 7.7 percent, and the state with the highest share, Hawaii, was 9.8 percent. (See Exhibit 2.) During the prior year, the most recent available for sales in Alaska, these establishments brought in \$1.4 billion.

Many of these jobs are highly seasonal because of their ties to tourism, and July 2013 reached a peak of 4,473 more jobs than January.

Aside from a dip during the last decade's national recession, bar and restaurant employment has grown steadily since 2000 (see Exhibit 3), at roughly the same rate as Alaska's overall employment. Restaurants and bars tend to follow the larger economic and population trends.

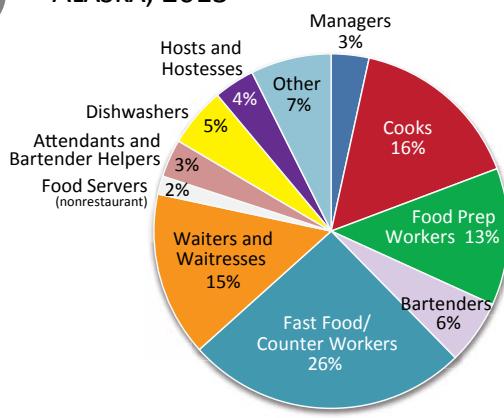
The Department of Labor and Workforce Development projects these jobs will increase by 10 percent between 2012 and 2022, slightly less than overall employment.

### Fewer restaurants, more bars and special food service

Alaska also differs in the makeup of its eating and drinking establishments. Though 83 percent of industry employment was within restaurants in 2013 (see Exhibit 4), that was the lowest concentration in the nation.

The lack of restaurants is why Alaska falls far below the national average, as the state had a higher-than-average share of the other two categories: bars and special food services.

## 5 Types of Food Service Jobs ALASKA, 2013



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

### 6 Managers, Chefs Paid Most

#### FOOD SERVICE WAGES IN ALASKA, 2013

Occupation	Average Hourly Wage
Food Service Managers	\$25.16
Chefs and Head Cooks	\$23.02
Cooks, Institution and Cafeteria	\$17.46
First-Line Supervisors of Food Preparation and Serving Workers	\$17.18
Bakers	\$15.13
Cooks, Restaurant	\$13.78
Food Preparation and Serving Related Workers, All Other	\$13.03
Food Servers, Nonrestaurant	\$12.96
Cooks, Short Order	\$12.80
Food Preparation Workers	\$12.67
Bartenders	\$11.93
Combined Food Prep and Serving Workers, Including Fast Food	\$10.69
Cooks, Fast Food	\$10.61
Waiters and Waitresses	\$10.29
Dining Room and Cafeteria Attendants and Bartender Helpers	\$10.22
Counter Attendants: Cafeteria, Concession, and Coffee Shop	\$10.06
Dishwashers	\$9.94
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	\$9.58

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

Special food services are especially notable for their high employment levels in Alaska. This category, which includes food carts, caterers, and food service contracting, largely serves oil and tourism companies. These special food service jobs also paid more, at roughly double the industry's average wage.

Employment in bars was 74 percent more common in Alaska than the U.S., putting it at seventh place in the nation. The No. 1 state, Montana, was a whopping 390 percent above the national average.

## Younger workers, fewer males

Restaurant workers are 53 percent female compared with 48 percent for overall employment, and bar employment is dominated by women, at 65 percent. This is common for service workers who deal directly with customers, whereas behind-the-scenes jobs like dishwashing have higher percentages of men.

Workers in food services also tend to be young. The average age is 30, eight years below the average age for all workers. The bulk of occupations are open to young, untrained applicants, and most workers eventually transition to other industries.

Because most of these jobs don't require prior training, wages tend to be low. Waiters and waitresses, the biggest occupational group, made an average of \$10.29 per hour in 2013. (See Exhibits 5 and 6.) This doesn't take all of their tips into account, though.

The highest paying occupations are those requiring previous experience or training. These include food service managers at \$25.16 per hour, and chefs and head cooks at \$23.02 per hour.

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## How employers are classified

A business that does multiple things at the same location, such as operate a hotel and a restaurant, is typically categorized by its "main business activity." So, for example, a place like Montana that appears to have a sky-high number of bars may actually just have more standalone bars instead of restaurants or hotels that also serve alcohol.

# ALASKA'S YOUNGEST WORKERS



Teens a smaller share of population and workforce in recent years

By **MALI ABRAHAMSON**

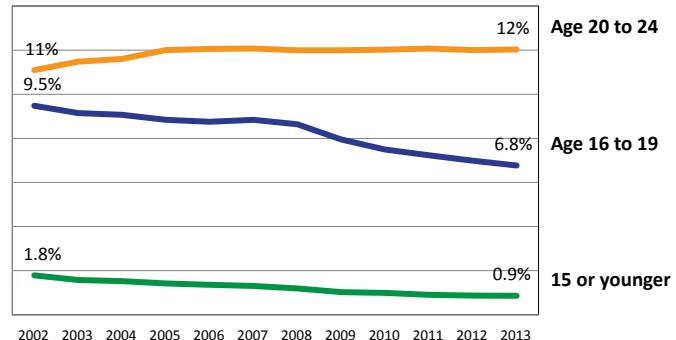
Teens in Alaska's workforce have declined significantly over the past 12 years, both in overall number and in their percentage of the state's workforce. Teens made up 11.3 percent of the Alaska workforce in 2002, and their percentage fell to 7.7 by 2013. (See Exhibit 1.)

Young adults between 20 and 24, however, have remained steady at about 12 percent of the total workforce.

## Less workforce participation

One reason for the decline is that there are simply fewer teens in Alaska than there were 10

## 1 Declining Percent of Workers PERCENT BY AGE GROUP, 2002 TO 2013



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

## 2 10 Most Common Occupations for Young Workers ALASKA, 2013

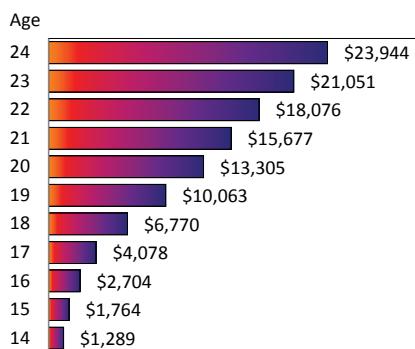
Age 15 and Under	Ages 16 to 19	Ages 20 to 24
Food Preparation Workers	Retail Salespeople	Retail Salespeople
Personal Care Aides	Combined Food Prep and Serving, Incl Fast Food	Cashiers
Combined Food Prep/Serving, Incl Fast Food	Cashiers	Combined Food Prep/Serving, Incl Fast Food
Retail Salespeople	Food Preparation Workers	Construction Laborers
Cashiers	Counter Attendants, Cafeteria/Concession/Coffee	Office and Administrative Support Workers
Office Clerks, General	Waiters and Waitresses	Personal Care Aides
Office and Administrative Support Workers	Hosts/Hostesses, Restaurant, Lounge, Coffee Shop	Waiters and Waitresses
Umpires, Referees, and Other Sports Officials	Laborers/Freight, Stock, Matl Movers, Hand	Office Clerks, General
Laborers/Freight, Stock, Matl Movers, Hand	Construction Laborers	Laborers/Freight, Stock, Matl Movers, Hand
Packers and Packagers, Hand	Office and Administrative Support Workers	Janitors/Cleaners, Exc Maids and Housekeeping

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

# 3

## Wages Increase With Age

ALASKA, AVERAGE ANNUAL, 2013



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

years ago. Even as the state's total population grew by an average of 1.1 percent a year during that period, the number of teens dropped.

But population aside, teens nationwide are becoming less likely to participate in the labor force.<sup>1</sup> The U.S. labor force participation rate among 16-to-19-year-olds fell from 51.3 percent in 1992 to 34.3 percent in 2012 and is projected to drop to 27.3 percent by 2022.

In Alaska, labor force participation is generally higher than the U.S. average for all age groups. For 16-to-19-year-olds, it was six points higher in 2012, at over 40 percent. But Alaska's teen rate has also been on the decline, dropping from 47.7 percent in 2003.

### What they're doing instead

The U.S. Bureau of Labor Statistics attributes the decline in participation to more competition for jobs from other age groups, more unpaid internships and summer school enrollment, increased college enrollment, and diminishing federally funded job opportunities.

Some high school students devote more time to sports and volunteer work, which may look better on a college application than paid work at a restaurant. Other teens work but may not show up in the job counts, such as deckhands on fishing boats or unpaid help in a family business.

### Jobs typically in retail, food service

Because teens and younger adults have limited skills

<sup>1</sup>Labor force participation rates include self-employment, which is not included in job and wage data used elsewhere in this article. To be counted as part of the labor force, a person must be either working or looking for a job.

and often less time due to education demands, they tend to work in entry-level, part-time service jobs.

For those who are working, their job opportunities are dominated by food service and retail occupations. Some farms hire the youngest teens for harvests, and entertainers have young dancers in their troupes. Child care and personal care also stand out, as Alaska Native Regional Corporations hire young teens to work as home health and personal care aides.

Older teens, those between 16 and 19, work similar jobs but also qualify for seafood processing.

Once people reach their 20s, retail and food service still dominate but tellers and financial clerk service occupations become common (see Exhibit 2) and their employers become representative of the overall Alaska industry mix. Many young adults also work in oil fields, hospitals, transportation, and state government.

### Wages increase with every year

Workers between 14 and 19 earned \$163 million in 2013, or about 1 percent of total Alaska wages. Annual pay increased with every year of age. (See Exhibit 3.) Those between 20 and 24 earned \$787 million, or 6 percent of total wages.

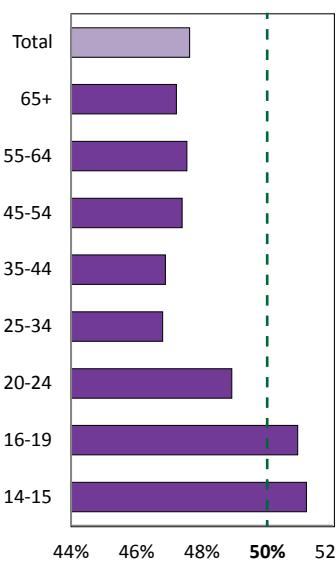
By age 21, the average wage was just over the federal poverty threshold for Alaska of \$14,720, compared

Continued on page 18

# 4

## More Teen Girls Work

PERCENT FEMALE WORKERS BY AGE, 2013



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

## **Summary of Alaska Child Labor Law**

Alaskan youth under the age of 14 may only work in the following occupations:

- Newspaper sales and delivery
- Babysitting, handiwork, and domestic employment in or about private homes
- Occupations in the entertainment industry, with an approved work permit from the Alaska Wage and Hour Administration

### **Special restrictions (14- and 15-year-olds):**

When school is in session, hours will be limited to a total of nine hours of school attendance plus employment in any one day; work will be performed only between 5 a.m. and 9 p.m. and total hours worked will be limited to 23 in any week.

During school vacations, work hours will be limited to 40 per week between 5 a.m. and 9 p.m.

### **Jobs forbidden for 14- and 15-year-olds:**

- Occupations in manufacturing, mining, or processing, including work rooms or places where goods are manufactured, mined or otherwise processed
- Occupations involved in operation of power-driven machinery other than office machines
- Occupations in construction (including demolition and repair), except office work
- Any work in an establishment that serves alcoholic beverages
- Public messenger service
- Occupations in or about canneries, except office work
- Work performed in or about boilers, engine rooms, or retorts
- Work involved with maintenance or repair of the establishment's machines or equipment
- Occupations that involve working from window sills, ladders, scaffolds, or their substitutes
- Occupations handling or operating power-driven food slicers, grinders, choppers, cutters, and bakery type mixers
- Work in freezers, meat coolers, or preparation of meat for sale
- Loading/unloading to or from trucks, railroad cars, or conveyors

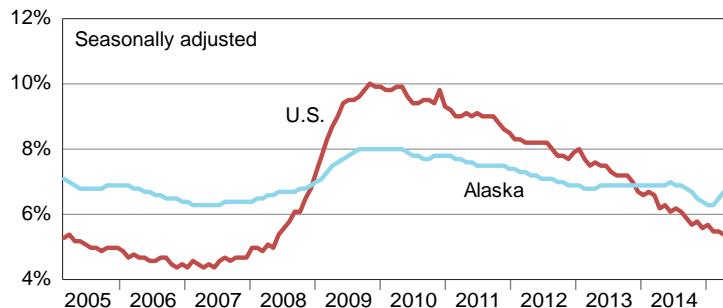
- Occupations in warehouses and storage except office and clerical work
- Occupations involving use of sharpened tools
- Occupations in transportation of people or property except office or sales work

### **Minors 17 and under cannot be employed in:**

- Occupations in manufacturing, handling, or use of explosives
- Occupations of motor vehicle driver or helper (some limited restrictions)
- Mining operations, including coal
- Logging or occupations in the operations of any saw-mill, lathe mill, shingle mill, or cooperage
- Operation of power-driven woodworking machines
- Occupations with exposure to radioactive substances and to ionizing radiation
- Operation of elevators or other power-driven hoisting apparatus
- Operation of power-driven metal forming, punching, and shearing machines
- Occupations involving slaughtering, meat packing, processing, or rendering
- Occupations involved in the operation and cleaning of power-driven bakery machines
- Occupations involved in the operation of power-driven paper products machines
- Occupations involved in the manufacture of brick, tile, and kindred products
- Occupations involved in the operation and cleaning of circular saws, band saws, and guillotine shears
- Occupations involved in wrecking, demolition, and shipwrecking operations
- Occupations involved in roofing operations
- Occupations involved with excavation operations
- Electrical work with voltages exceeding 220, or outside erection or repair and meter testing including telegraph and telephone lines
- Occupations involving exposure to bloodborne pathogens
- Occupations involved in canvassing, peddling, solicitation of door-to-door contributions, or acting as an outside salesman

# Employment Scene

## 1 Unemployment Rates JANUARY 2005 TO APRIL 2015



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

## TEEN WORKERS

Continued from page 16

with just \$1,289 at age 14. This is largely because young adults are no longer restricted by child labor laws and can work longer hours.

### Teen girls more likely to work

Teens stand out for their lack of a gender gap in job availability and compensation. Partly because Alaska girls haven't yet left the workforce to have children, females are over half the teen workforce. (See Exhibit 4.)

Girls also earn 49 percent of teen wages in Alaska, compared to the 40 percent of wages that women of all ages earn.

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## 2 Unemployment Rates BOROUGHS AND CENSUS AREAS

	Prelim.	Revised	
	4/15	3/15	4/14
<b>SEASONALLY ADJUSTED</b>			
United States	5.4	5.5	6.2
Alaska Statewide	6.7	6.5	6.9
<b>NOT SEASONALLY ADJUSTED</b>			
United States	5.1	5.6	5.9
Alaska Statewide	7.0	7.5	7.1
<b>Anchorage/Mat-Su Region</b>	<b>6.0</b>	<b>6.3</b>	<b>6.0</b>
Municipality of Anchorage	5.3	5.5	5.3
Matanuska-Susitna Borough	8.5	9.2	8.5
<b>Gulf Coast Region</b>	<b>8.1</b>	<b>9.1</b>	<b>8.3</b>
Kenai Peninsula Borough	8.5	9.5	8.5
Kodiak Island Borough	4.7	5.1	5.5
Valdez-Cordova Census Area	10.5	12.4	10.7
<b>Interior Region</b>	<b>6.8</b>	<b>7.4</b>	<b>7.1</b>
Denali Borough	17.0	19.4	19.1
Fairbanks North Star Borough	5.7	6.1	5.8
Southeast Fairbanks Census Area	12.3	14.1	14.2
Yukon-Koyukuk Census Area	18.8	20.8	19.9
<b>Northern Region</b>	<b>11.4</b>	<b>11.4</b>	<b>11.5</b>
Nome Census Area	13.4	13.3	12.9
North Slope Borough	5.6	5.5	5.5
Northwest Arctic Borough	17.1	17.6	18.4
<b>Southeast Region</b>	<b>7.2</b>	<b>8.3</b>	<b>7.5</b>
Haines Borough	10.9	14.8	12.4
Hoonah-Angoon Census Area	18.0	22.9	18.0
Juneau, City and Borough	5.0	5.5	5.2
Ketchikan Gateway Borough	7.9	9.0	8.4
Petersburg Census Area	10.1	12.4	10.6
Prince of Wales-Hyder CA	13.4	16.1	13.0
Sitka, City and Borough	4.9	5.2	5.2
Skagway, Municipality	14.4	21.4	16.1
Wrangell, City and Borough	8.0	9.6	8.0
Yakutat, City and Borough	9.1	10.9	10.3
<b>Southwest Region</b>	<b>12.3</b>	<b>11.9</b>	<b>12.2</b>
Aleutians East Borough	2.8	3.2	3.5
Aleutians West Census Area	3.9	2.6	4.0
Bethel Census Area	16.6	16.4	16.7
Bristol Bay Borough	12.3	20.8	11.5
Dillingham Census Area	10.4	10.1	10.7
Lake and Peninsula Borough	15.9	18.0	18.8
Wade Hampton Census Area	26.4	26.7	24.9

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

# Employer Resources

## Identify valuable veterans by reading their résumés differently

Veterans' résumés often differ considerably from those of nonveterans. Many former service members include military terminology, acronyms, and other references that can be confusing and cost them interviews.

Did you know that many service members transitioning from the military have never had to compile their professional experience in a résumé format? As such, it may be necessary to explore the experiences listed in a veteran's résumé to identify specific core competencies and skill sets. Recognizing the need to adjust recruiting practices will keep you from inadvertently screening out well-qualified veterans who would be a valuable asset to your business.

Tips to consider:

- There are more than 7,000 jobs in the military across more than 100 functional areas, and the vast majority have a direct civilian equivalent. The online tool O\*NET ([online.onetcenter.org/crosswalk/](http://online.onetcenter.org/crosswalk/)) allows you to search by military occupational code or job title to find civilian equivalents.

- Compare the core values of the applicant's military service branch with the core values of your organization.
- Consider that a military career is more of a "trek" than a "track." The most recent job does not necessarily represent the highest level of accomplishment. In the military, positions move laterally over time.
- Consider military veterans even if they lack direct industry experience. Focus on competencies over equivalent job history. In general, look for an 80 percent or better job fit, with a 20 percent gap in industry knowledge that can be addressed through training after hire.

For more information on recruiting and retaining veterans, read the Military Veteran Employment Guide at <http://jobs.alaska.gov/veterans/employer/veteran-employment-guide.pdf>

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