Construction

ALASKA ECONOMIC

### The 1990s-A Decade of Stability

In the 1990s, the construction industry bade farewell to the construction booms of the past, fed by World War II, the Cold War, and the oil pipeline, and settled into a period of moderate growth.

Also Inside: New Hires Fourth Quarter 1997 September Employment Stats Solid 1998 Trends Index

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# ALASKA ECONOMIC

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### Tony Knowles, Governor of Alaska Tom Cashen, Commissioner of Labor

*Diana Kelm*, Editor *Joanne Erskine*, Associate Editor

### Email Trends authors at:

### Neal\_Fried@labor.state.ak.us

Neal Fried is a labor economist with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor in Anchorage.

### Todd\_Mosher@labor.state.ak.us

Todd Mosher is a labor economist with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor in Juneau.

### Brigitta\_Windisch-Cole@labor.state.ak.us

Brigitta Windisch-Cole is a labor economist with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor in Anchorage.

### Subscriptions: Jo\_Ruby@labor.state.ak.us

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#### ALASKA ECONOMIC TRENDS

by Neal Fried Labor Economist

# A Stable Decade for Construction

### Once volatile industry settles down in the 1990s

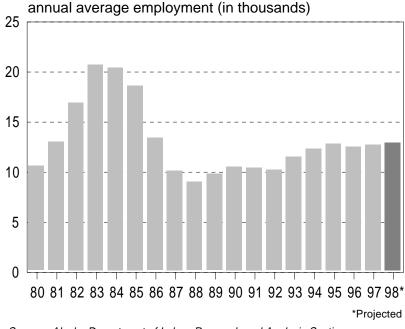
whiff of past construction booms is in the air. Many more road detours seem to plague communities around the state. New hotels, office buildings and other structures are going up without much attention, sometimes in the most unlikely places. New homes and subdivisions appear to be popping up everywhere. And more friends, family members and acquaintances are headed off to the North Slope to work on one of many construction projects. So is the state in the midst of a construction boom? The short answer is However, construction activity is on the no. upswing and its spunkiness represents the most steady and stable decade ever experienced by this industry.

# The construction industry veers from its past in the 1990s

For each decade since the 1940s, Alaska's construction industry has had an amazing story to tell. Because of World War II, the industry boomed in the 1940s with the construction of the Alaska Highway and countless military installations. This boom continued into the 1950s as the Cold War unfolded and additional military installations were built or expanded. Then, in the 1960s, infrastructure catch-up took place to accommodate the state's earlier population growth. During the 1970s, the industry was crowned with its largest project everthe construction of the Trans-Alaska Pipeline. In the early 1980s, as oil revenues began to flow through this pipeline and into the state's treasury, a construction boom in both the public and private

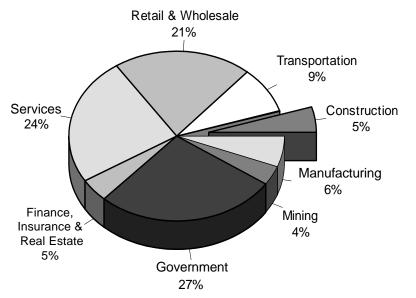
sectors followed. During the second half of that same decade, a construction and economic bust ensued that would ultimately change the face of the industry and its role in the state's economy. In the 1990s, to the delight of many and disappointment of a few who yearned for the former boom cycles, the industry began to recover and settle into its most stable period of growth. (See Exhibit 1.)

### Construction in the 1990s Stability after boom/bust swings

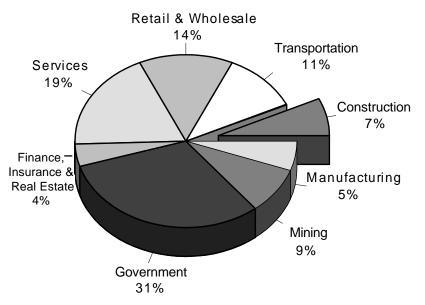


Source: Alaska Department of Labor, Research and Analysis Section

Wage & Salary Employment Construction's share is 5%







Source: Alaska Department of Labor, Research and Analysis Section

4

## Construction's role in the economy has changed

Prior to the 1990s, the construction industry and its projects often led, and to some extent dictated, the direction and strength of the Alaska economy. The health of the construction industry often went hand-in-hand with population and economic growth. For example, in the 1940s the primary reason for the strong growth in Alaska's economy was construction of military infrastructure. The same was true for the 1950s. In the 1970s and early 1980s when Alaska experienced its largest population surge, the construction boom was largely responsible. Put another way, the destiny of the state's economic health was often determined by the level of construction activity. During the last decade, this role has largely disappeared. In previous decades, construction industry employment was responsible for eight to 10 percent of all wage and salary employment in the state and in certain periods much more. (In 1975-76, more than a third of the wages paid out in Alaska came from the construction industry.) In the 1990s, construction's share of wage and salary employment fell to approximately five percent. (See Exhibit 2.)

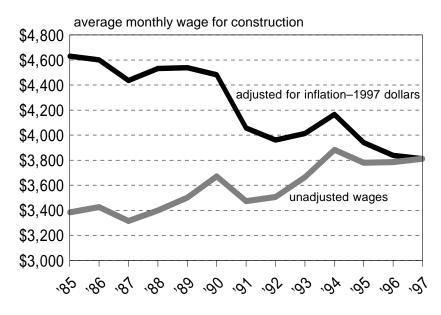
Unlike any previous decade, construction employment in the 1990s has not been a large factor in overall employment growth. In the 1990s, total employment grew by over 30,000 jobs and construction was responsible for approximately seven percent of this growth, compared to nearly 50 percent for services and almost 30 percent for retail. Instead of the economy reacting to the construction industry, the industry has accommodated the rest of the economy.

In the 1990s, no one or two construction projects have dominated the industry or the economy. Over the past decade, both private and public sector infrastructure work has been an important source of activity. Examples include the recent \$200 million expansion of the Red Dog mine and the construction of the \$250 million Healy Clean Coal plant, completed in 1997. Along with infrastructure-type construction there also have been healthy levels of both commercial and residential activity. The construction of more than half a dozen new hotels over the past three years and the significant investments of large national retailers in the early 1990s are good examples of the commercial activity in the 1990s. On the residential side, most communities have experienced a steady recovery from the second half of the 1980s. For example, in the state's largest housing market, the Anchorage/Mat-Su region, 1998 will go down as the busiest residential construction season since 1984.

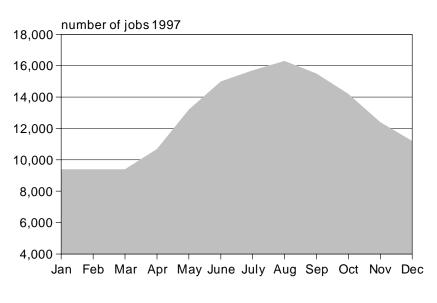
The construction industry is one of the few industries in the state that employs fewer people in absolute terms today than it did in previous decades. During the first six years of the 1980s, at a time when Alaska's population was nearly 100,000 smaller than it is today and the workforce was 20 percent (42,600 jobs) smaller, the construction workforce was 29% larger. For two years in the 1980s, construction's employment numbers topped the 20,000 mark. During nearly half of the 1970s, the construction workforce was larger than it is today, although the population in the state at that time was approximately 200,000 smaller than the present population, and the wage and salary workforce was more than 100,000 smaller. It was in 1976 that the state's construction workforce reached its zenith at 30,000, twice its present size. At that time, the construction industry was the state's second largest employer and paid out the largest payroll.

In some ways, this decline in the size of Alaska's construction industry in both absolute terms and relative to the rest of the economy parallels the nationwide story of the decline of the manufacturing industry. Both are generally high-paying industries. Both industries provide good occupational opportunities to workers not choosing the four year college route. The smaller role both of these industries play in the respective state and national economies partly

### Wages Adjusted for Inflation Ground lost in 1990s

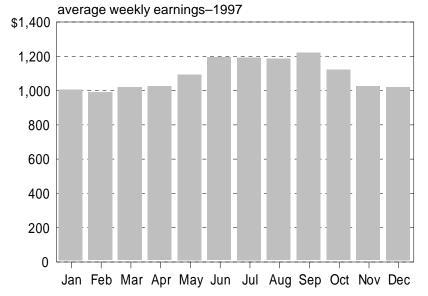


### The Seasonality of Construction Jobs nearly double in peak months

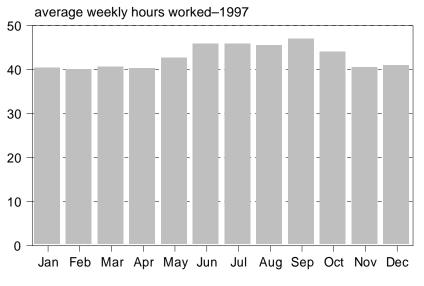


Source: Alaska Department of Labor, Research and Analysis Section









Source: Alaska Department of Labor, Research and Analysis Section

explains weak wage growth. Unlike the nation's manufacturing, construction in the state does not appear to be an industry in permanent decline. Instead, it is an industry whose role has changed relative to the rest of the state's economy. Some might even call it part of the "maturing" of the Alaska economy. As a young frontier state, with tremendous infrastructure needs and a small workforce, it was natural that construction played a much more important role in Alaska's economy in past years relative to most of the rest of the nation. Unlike employment in the nation's manufacturing industry, employment in Alaska's construction industry has enjoyed steady growth since 1989. It is also conceivable that, at some time in the future, construction employment could surpass its historical peaks of the 1970s.

### Second highest paying industry in the state

Twenty years ago construction's average monthly wage was tops in the state. In 1979, it fell to second place behind the oil industry but it still ranks as one of the best paying industries. Mining is the only other industry that enjoys higher wages but it is a fraction of the size of the construction industry. Construction's average monthly wage in 1997 was \$3,811. That is 39 percent above the overall statewide monthly average wage of \$2,733. Construction enjoys an above average wage because of higher-than-average hourly wages paid to the various trades. The prevalence of overtime work, paid at one and a half times the base wage, is another important factor. These higher wages mean that the impact of this industry's payroll on the economy is greater than its employment. Construction may employ only five percent of the wage and salary workforce, but it is responsible for seven percent of the payroll. (See Exhibit 3.)

Although construction enjoys above average wages, wage gains over the past decade have been more difficult to achieve. The average construction wage, not adjusted for inflation, has made the slowest gains of all major industry categories. After adjusting for increases in the cost-of-living, even

### Largest Contractors Alaska 1997

these small gains evaporate. For example, in 1997 dollars, construction's average monthly wage in 1988 was \$4,532 compared to \$3,811 in 1997. (See Exhibit 4.) There is no clear answer to this weak wage performance-only speculation. Some possible reasons may include a decline in the number of overtime hours worked; the fact that union wages remained largely frozen between 1983 and 1991; and, in the view of some, extraordinarily high wages in the late 1970s and early 1980s. More recently, however, there has been an improvement in the wage picture. During the past two years, the average monthly wage for construction, adjusted for the cost-of-living, has reached a plateau. So it appears this long-term slide in real wages may have run its course and perhaps real gains are in the offing.

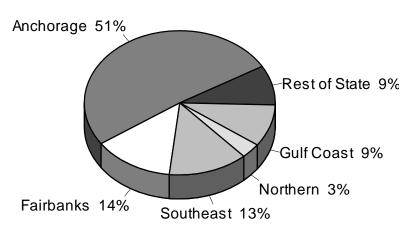
### Seasonality remains strong

Although workers in this industry often enjoy higher hourly and monthly wages, their annual earnings may at times fall short of earnings of other workers whose monthly wages are lower. Construction remains one of the state's most seasonal industriesonly fish processing and the visitor industry are more seasonal. (See Exhibit 5.) In 1996, 23,262 different individuals worked in the construction industry over the course of the year; monthly employment peaked at 16,200 and the average annual employment was 12,600.

Improved construction techniques could lead to the belief that construction jobs are becoming less seasonal than in the past; yet there is no evidence of this in the employment data of the past 20 years. Each year, the peak employment month is either August or September, with employment at nearly double the level of the low month-January. For example, in 1997, peak employment was 16,300 in August versus 9,400 in January. Hours worked and wages earned follow the same seasonal pattern. (See Exhibits 6 and 7.) This seasonality helps to partially explain the relatively high incidence of nonresidents in the industry. In 1996, 23.7% of all workers in the industry and 15.8% of the industry's

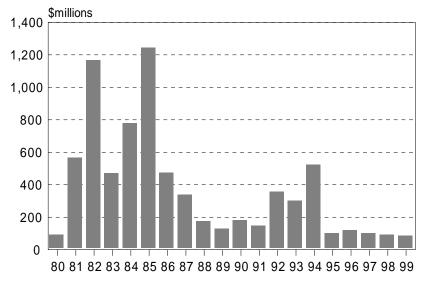
Daula		erage
Rank	Firm Employ	ment
1	HC Price	529
2	Undelhoven Oilfield System Services	157
3	Wilder Construction	153
4	UIC Construction	149
5	South Coast	148
6	Osborne Construction	147
7	SKW/Eskimos	129
8	Alaska Interstate Construction	115
9	Alcan Electric and Engineering	109
10	Davis Contractors and Engineers	107
11	Quality Asphalt Paving	84
12	Gaston and Associates	82
13	Strand Hunt Construction	81
14	City Electric	78
15	Kiewit Pacific	75
16	New Horizons Telecom	71
17	Wolverine Supply	68
18	Arctic Camps and Equipment	66
19	Aurora Electric	66
20	Alaska Mechanical	65
21	Houston Contracting	64
22	Superior Plumbing and Heating	63
23	Central Environmental	57
24	Summit Paving and Construction	56
25	Red Samm Construction	54

### Jobs by Location of Firm Hq Actual jobs may be dispersed



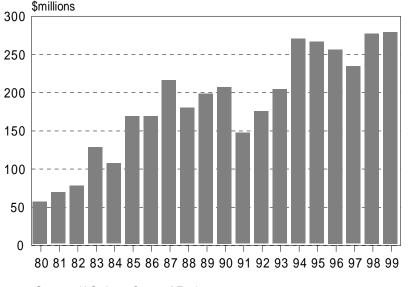
Source: Alaska Department of Labor, Research and Analysis Section

### **10** State Capital Budget Less for construction in the 1990s



Source: Alaska Legislative Affairs Agency

### **1 Army Corps of Engineers** Spends around \$250 million per year in Alaska in late 1990s



Source: U.S. Army Corps of Engineers

payroll went to nonresidents, rates which are somewhat higher than for the state overall. If the industry were less seasonal, the incidence of nonresidents would probably also be lower.

# Anchorage headquarters the industry but jobs exist around the state

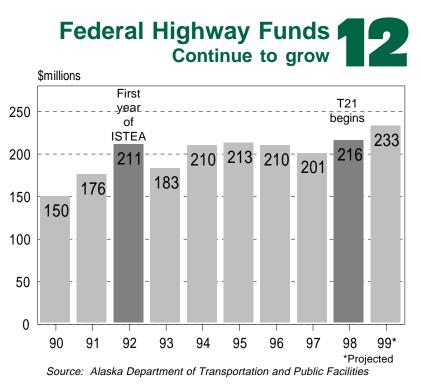
Even though most of the state's largest contractors list Anchorage as their headquarters address, thereby suggesting that half the construction industry jobs exist in Anchorage, these data must be treated carefully. (See Exhibits 8 and 9.) Because most construction contracts are usually short-term and the work occurs around the state, trying to accurately account for where the actual employment is taking place or where the workers live is a nearly impossible task. In theory, these employment data are reported by the location of the job. But because of the nomadic nature of many contractors' work, most of these contractors simply report one location for employment purposes, usually wherever their headquarters is located. It would not be uncommon for an Anchorage or Fairbanks contractor who has a project outside the headquarters community to have employees who are residents from a variety of geographic areas in the state or, in some cases, country.

### Federal share of construction climbs

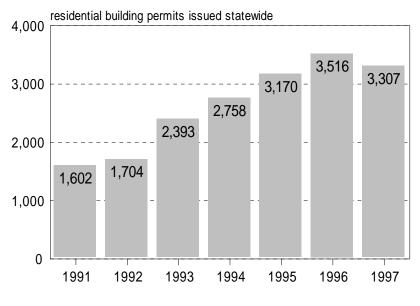
While no comprehensive data exist that provide a breakdown of public sector versus private sector construction funding, some trends are evident. One of these trends is that the state's role in the construction industry diminished over the years as oil revenues fell. (See Exhibit 10.) During the past five years, the state's capital budget has rarely broken the \$100 million mark, in contrast to the 1980s when it twice exceeded a billion dollars (in unadjusted dollars). These state figures don't tell the entire story, however, particularly in recent years. Although only \$85 million in general funds went to capital construction for the current fiscal year, the state is using other methods such as leveraging state dollars for matching federal capital. For example, the Alaska Housing Finance Corporation will be issuing \$199 million in bonds this year for a variety of capital projects around the state. Other state agencies, such as the Alaska Industrial Development and Export Authority, are used to leverage money for large construction projects. In addition, the massive four-year, \$205 million state airport construction project at the Anchorage International Airport is largely funded through user fee revenue bonds.

During the past decade, the federal government has provided Alaska with a steady source of growth in construction funding. Two sources of this increased funding have been the U.S. Army Corps of Engineers and federal highway funds. The Corps' growth is coming from an increase in both military- and civilian-related projects. (See Exhibit 11.) The growing importance of the Air Force in Alaska has translated into more investment on Eielson Air Force Base (AFB) in Fairbanks and Elmendorf AFB in Anchorage. One recent large project is the construction of the new \$150 million hospital on Elmendorf. Over the past decade, the Corps has also spent \$20-50 million per year for environmental cleanup of former defense sites. On the civilian side, more funds are going to boat harbor construction. In 1992, federal highway funds got an initial boost with the passage of the Intermodal Surface Transportation Efficiency Act (ISTEA), which for five to six years meant federal highway funds climbed to a new level of funding. (See Exhibit 12.) Then, in 1998, Congress passed a new federal highway-funding bill called the Transportation Equity Act for the 21st Century (otherwise known as the T21 bill) that will again ratchet up the funding for highway construction for the next six years.

Trends in private sector construction are more elusive because of the fractured nature of the industry. By most accounts this part of the industry has also enjoyed a steady upswing. Residential activity has enjoyed strong growth around the state. (See Exhibit 13.) The commercial side of



# A growth industry in the 1990s



Source: Alaska Department of Labor; Fairbanks North Star Borough; Municipality of Anchorage

construction got its first big boost in the early 1990s with the explosion of new national retailers moving into the market and expanding their operations around the state. Then, after a short lull, another boom in new hotel construction followed, which is not yet over. During this lull there was a flurry of mining-related construction anchored by the Healy Clean Coal Project and the Fort Knox Mine. The most recent new blood that is helping sustain the growth in this industry is North Slope-related oil patch work. This year and 1999 will go down as the busiest years on the North Slope since the giant \$1.5 billion gas handling facility (GHX-2) of the early 1990s. Construction-wise, this work is actually probably larger than GHX-2. This is not only because of the simultaneous development of a myriad of new fields on the North Slope, but also because many of the modules, new camps and other work, which historically were often built elsewhere in the world, are being constructed in Fairbanks, Kenai, Anchorage and the North Slope.

## Construction will end the century on a stable course

Construction's evolution into a remarkably stable industry (an adjective not usually associated with it) may have been inevitable. There are contractors and workers who pine for the more rough-andtumble decades of the past, while many others welcome this more predictable, stable environment. There are no events on the near horizon that would lead one to believe this general trend toward stability will not continue into the next century. In the longer run, the future could be different. Alaska remains a young frontier state, with a small population and workforce. So it is certainly conceivable that construction could again exert a huge influence on the Alaskan economy. It would, however, take something on the magnitude of oil development in the Alaska National Wildlife Refuge or the construction of a gas pipeline to begin to mirror past boom years. Whatever happens, construction is one industry that nearly always has something interesting under way.

# Hiring Improves in 1997

by Todd Mosher Labor Economist

### Fourth quarter new hires increase from 1996

# E

mployers welcomed 47,010 new faces to their payrolls during the fourth (autumn) quarter of 1997. This was 1,566, or 3.4%, more new hires than in the fourth quarter of 1996. (See Exhibit 1.)



# Alaska New Hires

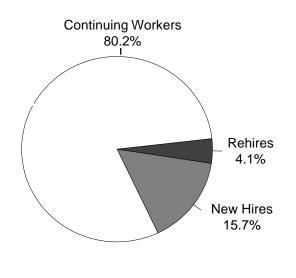
	331	Change	
	4th Qtr 1997	from 3rd Qtr 1997	from 4th Qtr 1996
Total New Hires	47,010	-25,800	1,566
Region: Northern Interior Southwest Anchorage Gulf Coast	3,063 6,179 3,396 24,413 3,922	-1,282 -3,989 -3,363 -4,832 -7,304	550 295 -177 829 -57
Southeast Offshore Outside Unknown Industry:	5,549 262 226 0	-4,340 -449 -241 0	340 -82 -25 -107
Agriculture/Forestry/Fish Mining Oil & Gas Extraction All Other Mining Construction Manufacturing Seafood Processing All Other Manufacturing Transportation/Comm/Utilities Tourism-related TCU <sup>1</sup> All Other TCU Wholesale Trade Retail Trade Finance/Insurance/Real Estate	291 1,109 924 185 4,392 1,916 896 1,020 3,278 540 2,738 1,494 13,499 1,698	-443 -969 -828 -141 -3,953 -7,762 -7,398 -364 -1,334 -736 -598 -860 -3,927 -763	224 -27 251 89 18 71 163 179 72
Services Hotels & Lodging All Other Services Public Administration	13,614 1,111 12,503 5,719	-5,113 -1,588 -3,525 -676	327 151 176 252

<sup>1</sup> Transportation, Communication and Utilities. Tourism-related includes local passenger, water and nonscheduled air transportation, travel agencies and other travel arrangers. Not all of the employment in these categories is attributable to tourism, but all are heavily influenced by tourism in most regions. *Source: Alaska Department of Labor, Research and Analysis Section* 

All four quarters of 1997 indicated improved prospects for job seekers compared to the previous year. There were about 26,000 fewer new hires in the final quarter of 1997 than during the peak summer quarter, coinciding with the winding down of tourism, construction activity, and summer fisheries. Retailers gearing up for the holidays, and schools filling openings for the coming school year helped to offset some of the seasonal fall-off in hiring activity.

Most areas of the state experienced increased hiring activity compared to the same quarter of 1996, except those areas most directly impacted by the seafood processing industry. Hiring was up between two and four percent for most industries The fourth or autumn quarter includes the months of October, November and December.

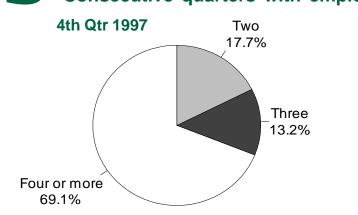
### Worker-Employer Relationships 4th Quarter 1997



Worker-Employer Relationship: workers are counted for each employer they worked for during the quarter. New Hire: a worker who did not work for the current employer in any of the four previous quarters. Rehire: a worker who did not work for the employer in the previous quarter, but did work for the employer in at least one of the three quarters prior. Continuing Worker: one who worked two or more consecutive quarters with the employer, including 4th quarter 1997.



**5** Continuing Workers by Tenure Consecutive guarters with employer



<u>Continuing Worker</u>: employee who worked two or more consecutive quarters with employer, including 4th quarter 1997.

Source: Alaska Department of Labor, Research and Analysis Section

compared to the previous autumn quarter. Oil and gas new hires were up substantially, while hiring in most other resource-based industries and construction declined by three percent or more compared to the same quarter of 1996.

## Hire status of the autumn quarter workforce

For the new hire report, each worker is considered for every employer he or she worked for during the report quarter. Each unique worker-employer relationship can then be categorized as a new hire, a rehire, or a continuing worker, based on the employee's work history with the employer during the previous four quarters:

- New hires are those worker-employer relationships in which the worker did not work for the employer in any of the four quarters prior to fourth quarter 1997.
- Rehires are those that did not work for the employer during the third quarter of 1997, but did work for the employer in at least one of the three quarters prior to the third quarter of 1997. This category includes seasonal hire-

backs whose jobs ended in the prior fall, winter, or spring.

• Continuing workers are those who worked for the employer for two or more consecutive quarters ending with fourth quarter 1997.

The three categories are mutually exclusive; a worker cannot belong to more than one category for the same employer.

In fourth quarter 1997, about 16 percent of all worker-employer relationships were new hires. This was down from the summer quarter, when 21.5% were new hires. About four percent were rehires, and about 80 percent were continuing workers. (See Exhibit 2.) Most of these continuing workers had worked with the employer for at least four consecutive quarters, including fourth quarter 1997 (See Exhibit 3.) About 18 percent of the continuing workers were in only their second consecutive quarter with the employer, meaning that they were either newly hired or rehired by the employer in the third quarter of 1997.

### 1997 year end review

All told, there were 231,641 new hires in 1997, up by 2.6% from 1996. (See Exhibit 4.) Of course, some of these new hires were the result of workers who were newly hired by more than one employer over the course of the year. Each time a worker

### Alaska New Hires 1997 compared to 1996

1996 1997 Change

**New Hire Events** 225,850 231,641 5,791 (Workers can be counted as new hires for more than one employer.)

**Newly Hired Workers** 162,133 165,032 2,899 (Each worker is counted only once regardless of how many employers hired that worker.)

is new to an employer, a new hire is tallied. At the individual worker level, there were just over 165,000 workers who were newly hired by one or more employers in 1997.

Nearly 120,000, or nearly three-quarters, were new to only one employer during the year, while about 45,000, or just over a quarter, were new to more than one employer. However, because workers were counted as a new hire for each new employer they worked for, the group with more than one new employer accounted for nearly half of all new hires that occurred in 1997. (See Exhibit 5.)

### Younger workers tell the story

About 78 percent of workers 22 and under were new to at least one employer, and about 23 percent were new to more than one employer in 1997. (See Exhibit 6.) These younger workers were almost three times as likely as workers over age 35 to have been new to more than one employer. This meant that although workers ages 22 and under made up less than 16 percent of the workforce<sup>1</sup>, they accounted for 28 percent of all new hires in 1997. In contrast, workers over the age of 35 made up over 54 percent of the workforce, but accounted for only 36 percent of new hires.

### Peak hiring for most occupations occurred in second (spring) quarter

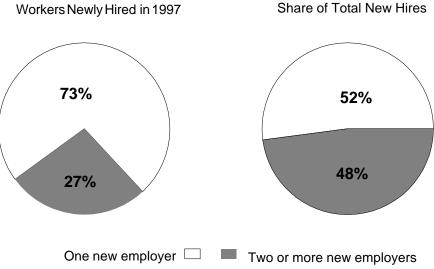
Exhibit 7 shows Alaska new hires by occupation group for the four quarters of 1997, sorted by the four-quarter total. Shading indicates the peak hiring season. Peak hiring for most occupations occurred during the second (spring) quarter of 1997, as employers prepared for the busy tourism season ahead.

<sup>1</sup>Based on age data of those workers who received an Alaska Permanent Fund Dividend in 1996, 1997 or 1998. However, hiring continued strongly into the summer quarter for most of the spring-peaking occupations. At the same time, hiring in the seafood processing and construction industries peaked. Consequently, total new hires hit their peak during the third (summer) quarter. This general hiring cycle has been the norm in Alaska for at least the last six years, though the magnitude of the season-to-season swings varies from year to year.

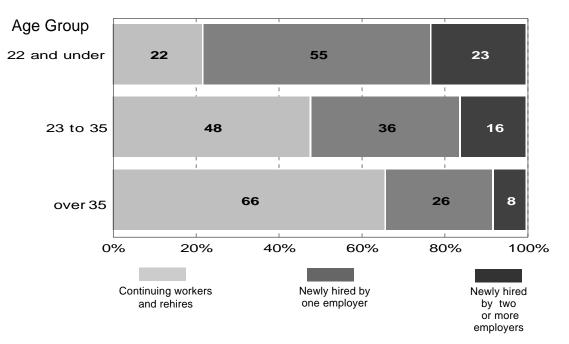
# New hires' attachment to Alaska workforce after 1995

In order to evaluate new hires' attachment to the Alaska labor force, workers who were newly hired in the fourth quarter of 1995 were matched to wage records for the fourth quarters of 1996 and 1997.

### Workers Newly Hired by More than one employer accounted for nearly half of all 1997 new hires







Note: Based on age data of the workers who received an Alaska Permanent Fund Dividend in 1996, 1997 or 1998. Source: Alaska Department of Labor, Research and Analysis Section

# After a relatively quick shakeout, attachment to Alaska labor force was strong

Of the original 42,028 workers who were new to one or more employers in the fourth quarter of 1995, about 62 percent were working in Alaska in the fourth quarter of 1996. In other words, about 38 percent of the fourth quarter 1995 new hires left the Alaska workforce before the fourth quarter of the following year, 1996. (See Exhibit 8.)

However, of those who remained in the Alaska workforce in the fourth quarter of 1996, better than 90 percent were still in the Alaska workforce in the fourth quarter of 1997.

# Established residents had a higher rate of attachment

New hires from the fourth quarter of 1995 who received an Alaska Permanent Fund Dividend

(PFD) in 1994 or 1995 were much more likely to have continued employment in Alaska than those who did not receive a PFD. (Receiving the PFD confirms Alaska residency status.) About 64 percent of the PFD recipients were working in Alaska in the fourth quarter of 1997 compared to only 39 percent of those who did not receive PFD's.

### Attachment also varied greatly by industry

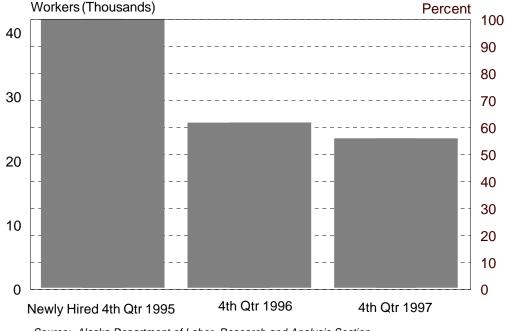
The industry of the new hire's employer also significantly impacted fourth quarter 1995 new hires' rate of attachment to the Alaska labor force. (See Exhibit 9.) Industries with a relatively high rate of attachment were oil and gas extraction; transportation, communications and utilities; nonoil mining; finance, insurance and real estate; and public administration. Resource-based industries, other than mining and oil, retail, hotels and lodging, and construction had the lowest rate of new hires attachment.

# Alaska New Hires by Occupation

					1997
Shading indicates	Four	1st	2nd	3rd	4th
peak hiring quarter.	Qtr	Qtr	Qtr	Qtr	Qtr
Sorted by Four-Quarter Total; 20 or more new hires)	Total	1997	1997	1997	1997
ood, Cleaning, and Personal Service Occupations	47,014	8,078	15,613	13,833	9,490
dministrative Support Occupations	29,672	6,237	8,577	7,786	7,072
andlers and Laborers	23,700	3,754	7,645	7,571	4,730
alespersons, Retail	19,247	2,853	6,457	5,418	4,519
abricators, Assemblers, & Hand Working Occupations	18,840	5,009	4,983	7,753	1,095
Construction Trades	12,666	1,576	3,660	4,740	2,690
ransportation Occupations	7,999	1,382	2,729	2,262	1,626
lechanics and Repairers	6,379	1,264	2,084	1,727	1,304
eachers, Except Postsecondary	4,209	838	763	1,394	1,214
fficials and Administrators, Other	3,008	679	800	890	639
rotective Service Occupations	3,006	592	764	925	725
elpers	2,857	406	982	984	485
lanagement Related Occupations	2,713	619	725	695	674
laterial Moving Occupations	2,713	277	979	898	559
ocial, Recreation and Religious Workers	1,975	421	570	546	438
Other Agricultural Occupations	1,961	167	1,018	562	214
legistered Nurses	1,256	295	366	317	278
lealth Technologists and Technicians ngineers, Surveyors and Architects	1,134	257 179	311 339	282 314	284 300
• •	1,132				
eachers, Postsecondary xtractive Occupations	1,090	306	183	387	214
•	1,071	105 217	210	537 261	219 300
/riters, Artists, Performers	1,066		288 381	333	300 217
orestry and Logging Occupations	1,064	133			
lachine Operators and Tenders recision Production Occupations	861 805	170 146	322 246	205 236	164 177
ther Technicians	697	140	240	230	138
ngineering Technologists and Technicians	651	95	220	192	143
ales Related Occupations	644	109	151	210	174
alespersons, Non-Retail Commodities	604	103	182	152	123
harmacists, Therapists, Physician Assistants	582	111	193	133	145
upervisors, Marketing and Sales	541	112	146	145	138
lant and System Operators	537	79	182	165	111
rivate Household Occupations	511	97	166	126	122
liscellaneous Occupations	491	103	158	99	131
nsurance, Securities, Realty, Sales Reps	456	103	127	106	116
ishers, Hunters and Trappers	436	46	82	253	55
Editors, Reporters, Public Relations Occupations	409	114	95	107	93
latural Scientists	397	60	147	112	78
Supervisors, Administrative Support	387	107	117	96	67
Science Technologists and Technicians	384	72	128	117	67
thetes and Related Occupations	334	72	114	74	74
Physicians and Dentists	304	91	46	87	80
Supervisors, Construction & Extractive Occupations	293	35	116	98	44
Officials and Administrators, Public Administration	283	49	54	49	131
Computer, Math, and Operations Research Occupations	222	50	65	59	48
ocational and Educational Counselors	176	31	35	66	44
arm Operators and Managers	162	25	75	48	14
awyers and Judges	154	38	34	45	37
roduction Inspectors, Testers, etc.	133	21	20	47	45
Iachine Setup Operators	117	18	49	38	12
Supervisors, Mechanics and Repairers	106	21	40	33	12
Supervisors, Production Occupations	100	16	52	22	10
Supervisors, Handlers, Helpers and Laborers	96	15	35	36	10
Social Scientists and Urban Planners	84	16	21	25	22
ibrarians, Archivists, and Curators	81	16	20	22	23
		10	7	17	21
Other Health Practitioners	55	10			21
Other Health Practitioners /eterinarians	55 33	4	8	13	8

Occupations based on two-digit Standard Occupational Code groupings.

### 4th Qtr 1995 New Hires Follow-up Percent still working 4th Qtrs 1996 & 1997



The New Hires Quarterly Report counts job opportunities created by business expansions, business startups, and job turnover. Almost all firms with employees working in Alaska are required to report social security numbers, occupation, work site and wages earned for each employee to the Alaska Department of Labor on a quarterly basis. The report assists employment security personnel and the job-seekers they serve in developing strategies for job placement in the Alaska economy.

A new hire is defined as an employee who was not working for the employer in any of the four previous quarters. Since replacements for departing workers are included, readers are cautioned about drawing conclusions about job growth solely on quarterly new hire data. A worker can be counted as a new hire for more than one employer during a quarter.

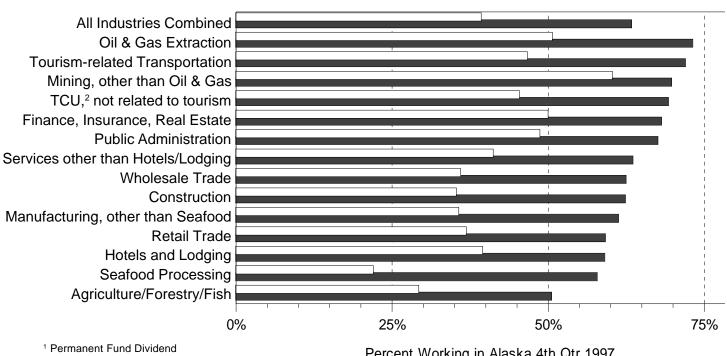
Source: Alaska Department of Labor, Research and Analysis Section

### 4th Qtr 1995 New Hires Follow-up By industry and Alaska PFD<sup>1</sup> history

Received PFD in 1994 and/or 1995?

Yes

No



<sup>2</sup> Transportation, Communication & Utilities

Workers newly hired by more than one employer in 4th quarter 1995 are placed in the industry of the employer from whom they earned the most wages.

### Percent Working in Alaska 4th Qtr 1997

# $\equiv$ *Trends* 1998 Index of Articles $\equiv$

### January

- Sitka: Coping with Structural Change
- Case Study of a Layoff– Work Life after Sitka's Pulp Mill Closure
- Alaska Employment Scene Recovering Oil

### February

- Public School Education–A Big Industry
- Alaska Employment Scene A Decade of Employment Growth

### March

- Alaska's Resident Workforce Increases
- Spring Quarter New Hires Up by 1.3% in 1997
- Alaska Employment Scene Unemployment Below 8% for Fifth Year in a Row

### April

- Annual Benchmark Revision for 1997 Completed
- Job Growth Rebounds in 1997
- Alaska Employment Scene A Good New Year–Despite Export Woes

### May

- Nearly 10,000 New Jobs by 2000
- Momentum Keeps Anchorage's Economy Rolling
- Private Sector Growth Brightens Forecast for Fairbanks
- Southeast Rides the Waves
- Alaska Employment Scene Fish Fry

### June

- Measuring Alaska's Cost of Living
- Alaska Employment Scene 1998 Off to a Surprisingly Strong Start

### July

- The Nome Census Area–One Hundred Years Later
- Alaska Employment Scene **Construction Generates Employment Surge**

### August

- The Trends 100: Alaska's Largest Private Employers-1997
- Alaska Employment Scene Alaska's Economy Heats Up

### September-October

- Population Projections–A Probe into the Future
- Summer New Hires Rebound–1997 Up from previous summer quarter
- Alaska Employment Scene Job Market is Hot-July shows usual economic peaks

### November

- The Alaska Employment Service Makes Connections
- Occupational Fatalities Decline–Water vehicle deaths drop; air taxi deaths climb
- Alaska Employment Scene Record Low for Unemployment-Record high for Permanent Fund Dividend

### December

- Construction in the 1990s–A Stable Decade for Construction
- New Hires: Hiring Improves in 1997
- Alaska Employment Scene September Employment Statistics Solid

# September Employment Statistics Solid

### Services sector serves up more jobs

## Alaska Employment Scene

by Brigitta Windisch-Cole Labor Economist

n September, Alaska's economy showed employment gains, and the unemployment rate stayed at a record low level. The state's 4.8% jobless rate (not seasonally adjusted) set a record low for September. Even more astounding was the dramatic improvement of 1.4 percentage points compared to last September's jobless rate. In September 1997, unemployment stood at 6.2%. (See Exhibit 5.) Nearly 4,300 fewer Alaskans were unemployed this September than a year ago. Alaskans have benefited from slower inmigration of workers competing for jobs. Employment growth has also worked to keep the jobless rate and number of unemployed low. Employment grew by 5,300 jobs over the September 1997 level.

# Services, retail and transportation lead job growth

The over-the-year job gain came from a diverse group of industries. Services employers created the most jobs, followed by retail and transportation. (See Exhibit 2.) Employment growth in transportation came partially from air transportation and the communications sector. New communications technologies such as cell phones, Internet, and fiber-optic cable communication links have opened new service areas for providers. The privatization of Fairbanks Municipal Utility System also boosted private sector transportation employment.

Several large store closures helped cool the retail sector, but the industry is still among the top contributors to employment growth. The eating and drinking sector, boosted by new restaurants, created the most new jobs. In specialty retail, building material stores have taken the lead. A good building season and the new Home Depot store, which opened last spring in Anchorage, have pushed up employment levels in this category.

Services continued its role as the biggest contributor to job growth. Health care, social, and engineering services have propelled the gains. Some of the growth in health care services can be attributed to privatization, but the development of new medical services has also played a big role. Engineering services has benefited from strong construction activity for private, public, commercial, and industrial structures. Hotel employment has risen because several facilities opened in 1998. Although the visitor season has tapered off, over 200 more workers than last year remained employed at hotels during September. And visitor industry experts noted that business increased during early fall.

# Early conjecture about the 1998 visitor season

Preliminary observations indicate that the 1998 visitor count grew about six percent compared to last year. Although it is uncertain how many visitors came to the state this year, several indicators suggest that Alaska had a strong 1998 visitor season. For example, revenues for Princess Tours were up eight percent. And the tally of summer border crossings-road traffic passing through Canada–increased by 10,000 travelers. Hotel receipts in Anchorage and Fairbanks grew as well.

Confidence remains strong that tourism will continue growing. This year, Anchorage expanded its visitor industry infrastructure by adding more than 250 hotel rooms to existing inventory. Three more hotels are under con-struction in Anchorage and slated to open in the 1999 season. (See Exhibit 1.) Other places in Alaska are also preparing to accommodate and entertain more visitors in coming years. Access to new excursion spots, visitor and cultural centers, new entertainment services, and other attractions are being developed statewide.

### Construction employment remains robust

Compared to September 1997, 400 more construction workers were on job sites this September. (See Exhibit 2.) Construction employment remained particularly robust in Anchorage. Performance in Fairbanks was up as well. Only in the Denali Borough in the Interior Region and in Southeast Alaska did construction employment lag behind last year's performance.

# Pollock harvest dominates the September fishery

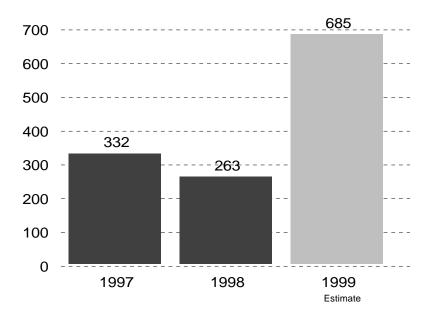
After a gloomy summer salmon season in western Alaska, the fall fishery for pollock started on a positive note. More processing workers were hired this September than in September 1997 for the Gulf of Alaska and Bering Sea harvests. Crab harvests near the Pribilof Islands and St. Matthew Island got under way as well. Both harvests progressed slowly and prices were low. Severely curtailed demand due to the Asian economic crisis has eroded the value of Alaska's fishery products. During the first six months of 1998, seafood exports dropped more than 30 percent from last year's mid-year trade value. This year's fishing season has been extremely volatile, both in terms of productivity and markets. Ward Cove Packing Company, for example, announced that it would leave its Kenai and Port Bailey (Kodiak) processing plants closed. About 100 workers were employed at these locations during the salmon season.

# The development of oil and gas fields comes at opportune time

Development of new oil fields on the North Slope continues as scheduled, in spite of low oil prices. Since the beginning of the year, Alaska North Slope crude traded on the West Coast has been at or above the \$15 mark only nine times. The profitability picture for oil producers has been severely impacted by the economic slowdown in the Far East.

Despite the price slump, Atlantic Richfield Company (ARCO) and British Petroleum have stuck to their plans to extend the oil field infrastructure and explore new oil patches. (continued page 22)

### Anchorage Adds Hotel Rooms To existing inventory



Source: Municipality of Anchorage, Treasury Division, and Anchorage Indicators 1997

## Nonagricultural Wage and Salary Employment by Place of Work

Alaska	preliminary 9/98	revised 8/98	9/97	Changes 8/98	from: 9/97
Total Nonag. Wage & Salary	285,900	292,300	280,600	-6,400	5,300
Goods-producing	43,300	48,000	43,000	-4,700	300
Service-producing	242,600	244,300	237,600	-1,700	5,000
Mining	11,200	11,000	11,200	200	0
Oil & Gas Extraction	9,500	9,200	9,300	300	200
Construction	15,900	17,000	15,500	-1,100	400
Manufacturing	16,200	20,000	16,300	-3,800	-100
Durable Goods	3,200	3,100	3,600	100	-400
Lumber & Wood Products	1,900	1,800	2,400	100	-500
Nondurable Goods	13,000	16,900	12,700	-3,900	300
Seafood Processing	10,300	14,100	10,000	-3,800	300
Transportation/Comm/Utilities	27,100	27,700	25,900	-600	1,200
Trucking & Warehousing	3,000	3,100	3,000	-100	0
Water Transportation	2,600	2,500	2,600	100	0
Air Transportation	9,300	9,600	8,800	-300	500
Communications	4,400	4,500	4,000	-100	400
Electric, Gas & Sanitary Svcs.	2,500	2,500	2,400	0	100
Trade	58,900	60,900	57,800	-2,000	1,100
Wholesale Trade	9,000	9,300	9,100	-300	-100
Retail Trade	49,900	51,600	48,700	-1,700	1,200
Gen. Merchandise & Apparel	9,500	9,800	9,300	-300	200
Food Stores	7,200	7,400	7,200	-200	0
Eating & Drinking Places	17,600	18,400	17,100	-800	500
Finance/Insurance/Real Estate	12,800	13,000	12,500	-200	300
Services & Misc.	70,800	72,600	68,500	-1,800	2,300
Hotels & Lodging Places	8,200	9,100	8,000	-900	200
Business Services	9,300	9,400	9,100	-100	200
Health Services	15,000	15,100	14,700	-100	300
Legal Services	1,700	1,700	1,700	0	0
Social Services	7,200	7,100	6,800	100	400
Engineering & Mgmt. Svcs.	7,800	7,900	7,400	-100	400
Government	73,000	70,100	72,900	2,900	100
Federal	17,600	17,800	17,600	-200	0
State	21,100	20,200	21,100	900	0
Local	34,300	32,100	34,200	2,200	100

Municipality	preliminary	revised	c	hanges	from:
of Anchorage	9/98	8/98	9/97	8/98	9/97
Total Nonag. Wage & Salary	130,200	131,400	125,900	-1,200	4,300
Goods-producing	13,000	13,600	12,100	-600	900
Service-producing	117,200	117,800	113,800	-600	3,400
Mining	2,700	2,700	2,500	0	200
Oil & Gas Extraction	2,500	2,400	2,300	100	200
Construction	8,300	8,700	7,700	-400	600
Manufacturing	2,000	2,200	1,900	-200	100
Transportation/Comm/Utilities	13,200	13,400	12,600	-200	600
Air Transportation	5,700	5,800	5,300	-100	400
Communications	2,600	2,600	2,400	0	200
Trade	31,500	31,900	30,900	-400	600
Wholesale Trade	6,400	6,500	6,500	-100	-100
Retail Trade	25,100	25,400	24,400	-300	700
Gen. Merchandise & Appare	el 4,800	4,900	4,700	-100	100
Food Stores	3,000	3,000	2,900	0	100
Eating & Drinking Places	9,200	9,300	8,900	-100	300
Finance/Insurance/Real Estate	7,300	7,400	7,200	-100	100
Services & Misc.	36,900	37,400	35,500	-500	1,400
Hotels & Lodging Places	2,800	2,900	2,700	-100	100
Business Services	6,400	6,500	6,300	-100	100
Health Services	7,900	7,900	7,600	0	300
Legal Services	1,200	1,200	1,200	0	0
Social Services	3,200	3,200	3,100	0	100
Engineering & Mgmt. Svcs.	5,700	5,700	5,400	0	300
Government	28,300	27,700	27,600	600	700
Federal	10,000	10,000	10,000	0	0
State	8,200	8,000	8,100	200	100
Local	10,100	9,700	9,500	400	600

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

Exhibits 3 & 4—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

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

Source: Alaska Department of Labor, Research and Analysis Section

	Average Weekly Earnings		arnings	nings Average Weekly Hours		Hours	Averag	ge Hourly E	arnings
	preliminary 9/98	revised 8/98	9/97	preliminary 9/98	revised 8/98	9/97	preliminary 9/98	revised 8/98	9/97
Mining	\$1,387.63	\$1,437.45	\$1,408.18	48.4	51.8	52.8	\$28.67	\$27.75	\$26.67
Construction	1,122.56	1,229.03	1,218.24	41.7	46.1	47.0	26.92	26.66	25.92
Manufacturing	611.17	603.28	660.92	56.8	55.5	52.0	10.76	10.87	12.71
Seafood Processing	534.82	537.54	519.40	60.5	57.8	53.0	8.84	9.30	9.80
Transportation/Comm/Utilities	673.31	676.68	663.85	34.3	33.8	35.5	19.63	20.02	18.70
Trade	412.68	433.06	424.24	33.2	34.7	33.3	12.43	12.48	12.74
Wholesale Trade	635.22	671.83	656.59	37.3	38.5	37.8	17.03	17.45	17.37
Retail Trade	372.92	391.47	381.88	32.4	34.1	32.5	11.51	11.48	11.75
Finance/Insurance/Real Estate	523.02	543.89	505.85	34.5	36.7	35.8	15.16	14.82	14.13

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

Benchmark: March 1997

Source: Alaska Department of Labor, Research and Analysis Section

**B** Hours and Earnings for Selected Industries

### A Nonagricultural Wage and Salary Employment by Place of Work

Fairbanks	preliminary	revised	C	hanges f	rom:
North Star Boroug	<b>gh</b> 9/98	8/98	9/97	8/98	9/97
Total Nonag. Wage & Salary	34,250	34,400	33,600	-150	650
Goods-producing	4,350	4,450	4,100	-100	250
Service-producing	29,900	29,950	29,500	-50	400
Mining	1,400	1,350	1,350	50	50
Construction	2,350	2,450	2,150	-100	200
Manufacturing	600	650	600	-50	0
Transportation/Comm/Utilities	3,300	3,400	2,900	-100	400
Trucking & Warehousing	550	600	600	-50	-50
Air Transportation	750	750	750	0	0
Communications	500	500	300	0	200
Trade	6,900	7,050	7,050	-150	-150
Wholesale Trade	850	900	800	-50	50
Retail Trade	6,050	6,150	6,250	-100	-200
Gen. Merchandise & Appare	l 1,200	1,250	1,300	-50	-100
Food Stores	700	750	850	-50	-150
Eating & Drinking Places	2,100	2,100	2,100	0	0
Finance/Insurance/Real Estate	1,100	1,100	1,100	0	0
Services & Misc.	8,600	8,950	8,350	-350	250
Hotels & Lodging Places	1,050	1,150	950	-100	100
Health Services	1,950	1,900	1,900	50	50
Government	10,000	9,450	10,100	550	-100
Federal	3,400	3,550	3,350	-150	50
State	3,900	3,450	3,850	450	50
Local	2,700	2,450	2,900	250	-200

### **Southeast Region**

Total Nonag. Wage & Salary	39,550	41,200	39,750	-1,650	-200
Goods-producing	6,600	7,750	6,950	-1,150	-350
Service-producing	32,950	33,450	32,800	-500	150
Mining	400	400	350	0	50
Construction	1,800	1,900	1,950	-100	-150
Manufacturing	4,400	5,450	4,650	-1,050	-250
Durable Goods	1,700	1,650	1,900	50	-200
Lumber & Wood Products	1,500	1,400	1,700	100	-200
Nondurable Goods	2,700	3,800	2,750	-1,100	-50
Seafood Processing	2,350	3,450	2,350	-1,100	0
Transportation/Comm/Utilities	3,700	3,800	3,750	-100	-50
Trade	7,250	7,800	7,200	-550	50
Wholesale Trade	650	650	650	0	0
Retail Trade	6,600	7,150	6,550	-550	50
Food Stores	1,350	1,400	1,400	-50	-50
Finance/Insurance/Real Estate	1,700	1,750	1,650	-50	50
Services & Misc.	7,900	8,250	7,750	-350	150
Health Services	1,700	1,700	1,600	0	100
Government	12,400	11,850	12,450	550	-50
Federal	1,950	2,000	2,050	-50	-100
State	5,300	5,100	5,250	200	50
Local	5,150	4,750	5,150	400	0

### **Northern Region**

Total Nonag. Wage & Salary	16,000	15,600	16,000	400	0
Goods-producing	5,650	5,500	5,550	150	100
Service-producing	10,350	10,100	10,450	250	-100
Mining	5,100	4,900	5,000	200	100
Oil & Gas Extraction	4,650	4,450	4,550	200	100
Government	4,550	4,200	4,750	350	-200
Federal	150	200	200	-50	-50
State	350	350	300	0	50
Local	4,050	3,650	4,250	400	-200

	preliminary	revised	C	hanges f	rom:
Interior Region	9/98	8/98	9/97	8/98	9/97
Total Nonag. Wage & Salary	41,000	41,600	40,300	-600	700
Goods-producing	4,700	4,850	4,700	-150	0
Service-producing	36,300	36,750	35,600	-450	700
Mining	1,650	1,600	1,600	50	50
Construction	2,400	2,550	2,450	-150	-50
Manufacturing	650	700	650	-50	0
Transportation/Comm/Utilities	4,050	4,300	3,550	-250	500
Trade	8,500	8,850	8,450	-350	50
Finance/Insurance/Real Estate	1,200	1,200	1,200	0	0
Services & Misc.	10,050	10,550	9,850	-500	200
Hotels & Lodging Places	1,800	1,950	1,750	-150	50
Government	12,500	11,850	12,550	650	-50
Federal	4,050	4,300	4,000	-250	50
State	4,200	3,750	4,150	450	50
Local	4,250	3,800	4,400	450	-150

### Anchorage/Mat-Su Region

/ monorago, mat ou					
Total Nonag. Wage & Salary	142,550	144,300	138,250	-1,750	4,300
Goods-producing	14,300	15,100	13,550	-800	750
Service-producing	128,250	129,200	124,700	-950	3,550
Mining	2,700	2,700	2,550	0	150
Construction	9,350	10,000	8,750	-650	600
Manufacturing	2,250	2,400	2,250	-150	0
Transportation/Comm/Utilities	14,300	14,450	13,650	-150	650
Trade	34,550	35,100	33,800	-550	750
Finance/Insurance/Real Estate	7,800	7,950	7,700	-150	100
Services & Misc.	40,450	41,100	38,800	-650	1,650
Government	31,150	30,600	30,750	550	400
Federal	10,100	10,150	10,150	-50	-50
State	9,050	8,700	9,000	350	50
Local	12,000	11,750	11,600	250	400
Southwest Region					
Total Nonag. Wage & Salary	17,650	17,150	17,150	500	500
Goods-producing	4,500	4,300	4,300	200	200
Service-producing	13,150	12,850	12,850	300	300
Seafood Processing	4,200	4,000	4,000	200	<b>200</b>
Government	5,550	4,000 5,100	4,000 5,600	450	-50
Federal	400	450	450	-50	-50
State	500	500	500	0	0
Local	4,650	4,150	4,650	500	0
Gulf Coast Region	.,	.,	.,		
Total Nonag. Wage & Salary	29,350	22 400	29,400	2 750	-50
Goods-producing	<b>29,350</b> 7,600	<b>33,100</b> 10,500	<b>29,400</b> 8,000	<b>-3,750</b> -2,900	-400
Service-producing	21,750	22,600	21,400	-850	350
Mining Oil & Gas Extraction	1,400	<b>1,400</b>	1,600	<b>0</b> 0	-200
	1,400	1,400	1,600		-200
Construction	1,600	1,650	1,600	-50	0
Manufacturing	4,600	7,450	4,800	-2,850	-200
Seafood Processing	3,600 <b>2,550</b>	6,450 <b>2,700</b>	3,550 <b>2,450</b>	-2,850 <b>-150</b>	50 <b>100</b>
Transportation/Comm/Utilities Trade	,	,	,	-150	150
	5,650	6,100	5,500		
Wholesale Trade	750	800 5 200	750	-50	0
Retail Trade Eating & Drinking Places	4,900 1,750	5,300	4,750 1,650	-400 -150	150 100
Finance/Insurance/Real Estate	,	1,900 <b>750</b>	700	-150 -50	
Services & Misc.	700				0 50
	6,000	6,400	<b>5,950</b>	-400	
Health Services	1,150	1,150	1,150	0	0
Government	6,850	6,650	<b>6,800</b>	200	<b>50</b>
Federal	800	850	750	-50	50
State	1,700	1,800	1,750	-100	-50
Local	4,350	4,000	4,300	350	50



### **5** Unemployment Rates by Region and Census Area

Not Seasonally Adjusted preliminary re			oyed
	9/98	8/98	9/97
United States	4.4	4.5	4.7
Alaska Statewide Anch/Mat-Su Region Municipality of Anchorage Mat-Su Borough Gulf Coast Region Kenai Peninsula Borough Kodiak Island Borough Valdez-Cordova Interior Region Denali Borough Fairbanks North Star Borou Southeast Fairbanks Yukon-Koyukuk Northern Region Nome North Slope Borough Northwest Arctic Borough Southeast Region Haines Borough	4.8 4.1 3.8 5.6 6.6 7.8 4.0 5.4 4.9 2.3 gh 4.6 7.2 9.9 8.3 8.6 6.3 11.1 4.7 5.6	4.5 3.8 3.5 5.2 5.5 6.0 5.1 4.3 4.6 3.0 4.3 6.2 9.9 8.4 9.5 5.3 11.2 4.5 4.4	6.2 5.7 5.2 8.2 8.6 9.4 6.9 7.7 6.0 7.1 5.6 7.7 12.5 9.8 5.9 14.6 5.5 6.8
Juneau Borough Ketchikan Gateway Boroug Prince of Wales-Outer Ketc Sitka Borough Skagway-Hoonah-Angoon Wrangell-Petersburg Yakutat Borough Southwest Region Aleutians East Borough Aleutians West Bethel Bristol Bay Borough Dillingham Lake & Peninsula Borough Wade Hampton Seasonally Adjusted United States		4.2 4.2 8.4 3.8 3.7 3.6 10.2 <b>7.6</b> 3.1 5.6 7.6 3.3 7.9 6.9 14.2 4.5	4.8 7.0 8.1 3.9 3.7 5.1 7.5 <b>7.2</b> 1.9 5.4 8.7 6.8 7.7 7.7 8.7 4.9
Alaska Statewide	5.9	5.9	7.7

#### 1997 Benchmark

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

Source: Alaska Department of Labor, Research and Analysis Section

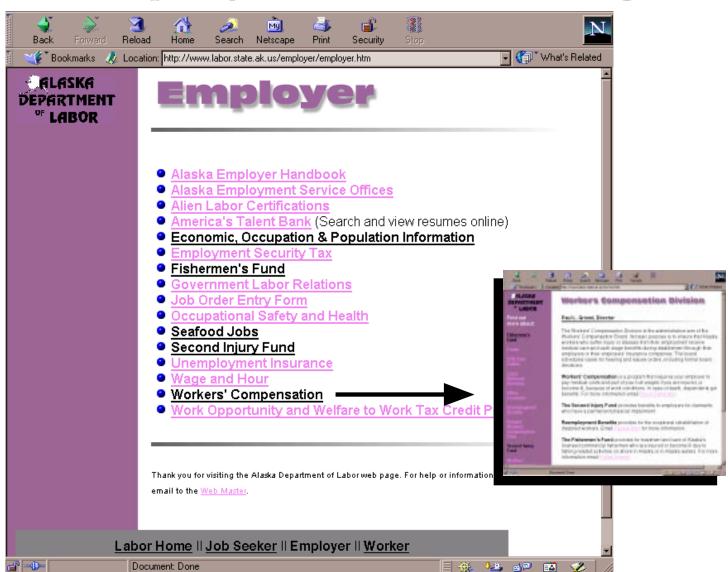
(continued from page 19)

Producers in Cook Inlet also have plans for capital investment. During September, oil and gas-related employment was up by 200 over last year. Employment may even increase when BP launches the development phase of its Northstar property this winter. The plan to develop these fields is a fortuitous circumstance for Alaska's oil workers, considering that ARCO will lay off close to 900 workers in Texas and Los Angeles.

### Summary

Although wage and salary employment began its seasonal slowdown in September, over-the-year growth remains healthy. Nearly every major industry category showed additions to employment. The unemployment rate reached its lowest mark ever for September. So far, Alaska's workforce has been only marginally affected by the Asian crisis. But the fishing and timber industries and the oil and gas producers are currently experiencing low product prices. Tourism, however, remains a bright spot in Alaska's economy. Not only has it created many jobs in services, retail and transportation, it also has given construction employment a big boost.

# **Employer Resource Page**



The Alaska Department of Labor's Employer site on the Internet can be reached at

### http://www.labor.state.ak.us/employer/employer.htm

Among the index of websites listed there that may interest employers as well as their workers is the Workers' Compensation site at

### http://www.labor.state.ak.us/wc/wc.htm

When workers experience work-related injury or illness, their employer or employer's insurance company may provide medical care and financial benefits during their disability. The Workers' Compensation Division oversees the statutory and regulatory requirements of these benefits.

Their Internet site (inset above) includes a Legal Research Directory with links to Workers' Compensation related statutes and regulations, recent Supreme Court and Alaska Supreme Court opinions, and decisions and orders made by the Alaska Workers' Compensation Board. The site also provides information about workers' compensation, second injury fund benefits to employers, and care for Alaska's commercial fishermen.