

ALASKA ECONOMIC

TRENDS

The Ketchikan Pulp Mill Closure

A study of laid-off workers

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and Workforce Development

Tony Knowles
Governor of Alaska

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The Ketchikan Pulp Mill Closure

by Gerald Landry
Labor Economist

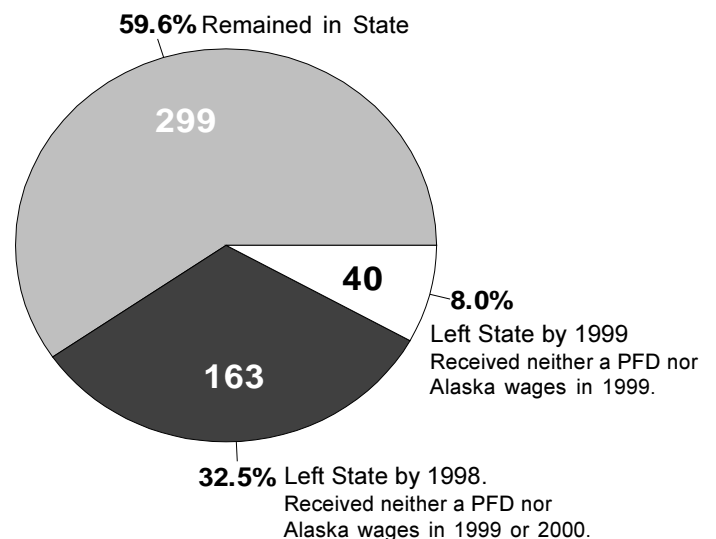
A study of laid-off workers

In March 1997, Ketchikan Pulp Company (KPC) closed its pulp mill in Ketchikan and laid off 516 workers. This article examines the impact on the workers who lost their jobs when the mill closed. It is modeled on a similar study of workers affected by the 1993 closure of the pulp mill in Sitka. (See Methodology, page 7.)

The majority of workers stayed in Alaska

Records for 502 workers laid off when KPC's pulp mill closed were analyzed for information on residency and employment. Three years after layoff more than 59 percent of these workers were still residents of or working in Alaska. Two hundred and ninety-nine applied for the 2000 Alaska Permanent Fund Dividend and 248 held wage or salary jobs in Alaska during 1999. (See Exhibit 1.) This is significantly less than the 69 percent of the APC workers remaining in

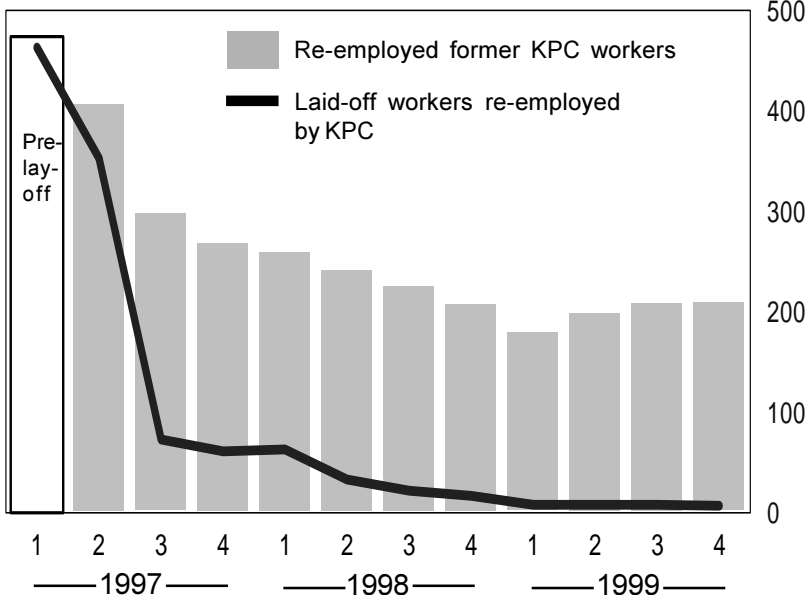
59% of Laid-Off Workers Remained in Alaska



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

2 Employment After Layoff

Workers who received wages in state



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

three years after the Sitka mill closed.

The number of workers re-employed after layoff fell gradually through the first quarter of 1999, then began to creep upward. Some of the workers initially found new employment in KPC's sawmill division. (See Exhibit 2.) Gateway Forest Products, a new company founded in part by a former KPC manager, took over the sawmill operations in 1999 and is developing a veneer plant. As of second quarter 2000, 16 of the workers in the study group were re-employed with Gateway, and 21 had found jobs at another local employer, Alaska Ship and Drydock.

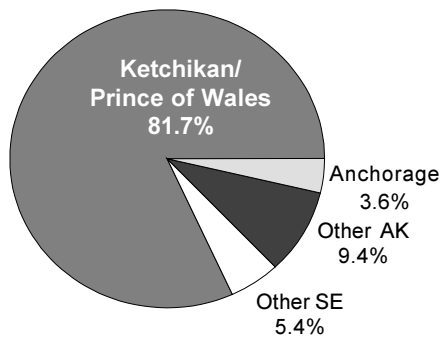
Most of those with new jobs stayed in the Ketchikan/Prince of Wales (POW) area. At the end of the first quarter after layoff, nearly 82 percent of those re-employed remained in the community. Over time, more of the workers left the Ketchikan area, finding jobs elsewhere in Alaska or leaving the state. However, by the end of 1999, nine quarters after layoff, nearly 75 percent of those who remained in the state still worked in the Ketchikan/POW area. (See Exhibit 3.)

3 Mill Workers Re-employed Within Alaska

3rd Quarter 1997

First Quarter after Layoff

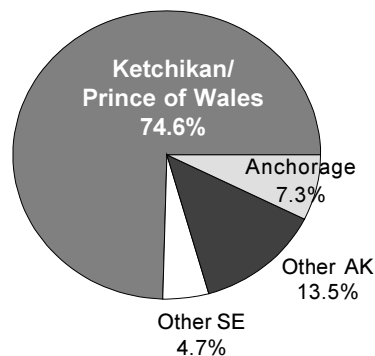
222 workers with jobs in Alaska



3rd Quarter 1999

Ninth Quarter after Layoff

193 workers with jobs in Alaska



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

Re-employed workers earned less

Although many workers remained in their community, their working conditions changed. Probably the most significant change was the drop in pay. Average quarterly earnings fell more than \$5,000 from layoff through 1999. Though average earnings fluctuated by quarter, workers in 1999 received an average of 63.7% of their pre-layoff quarterly earnings. (See Exhibit 4.) The loss in earning power was similar to that experienced by APC workers, whose quarterly earnings in 1996 averaged 63.9% of pre-layoff earnings.

Multiple job holding increased

Besides paying higher than average wages, most pulp mill jobs offered full-time, year-round employment. Prior to layoff only six to eight

percent of workers held more than one job in a quarter. After layoff, workers were more likely to hold multiple jobs. Multiple jobholders are those who work for more than one employer within a quarter, either concurrently or serially. Multiple jobs increased threefold the first quarter after layoff, a period when many workers still received wages from KPC. In each of the following quarters studied, multiple jobholding exceeded pre-layoff levels. Following the typical seasonal upswing in Alaska's employment, in the second and third quarters of the year, workers were somewhat more likely to work multiple jobs. (See Exhibit 5). The fourth quarter 1999 spike in multiple jobholding was due to workers with employment reported at both KPC and Gateway Forest Products.

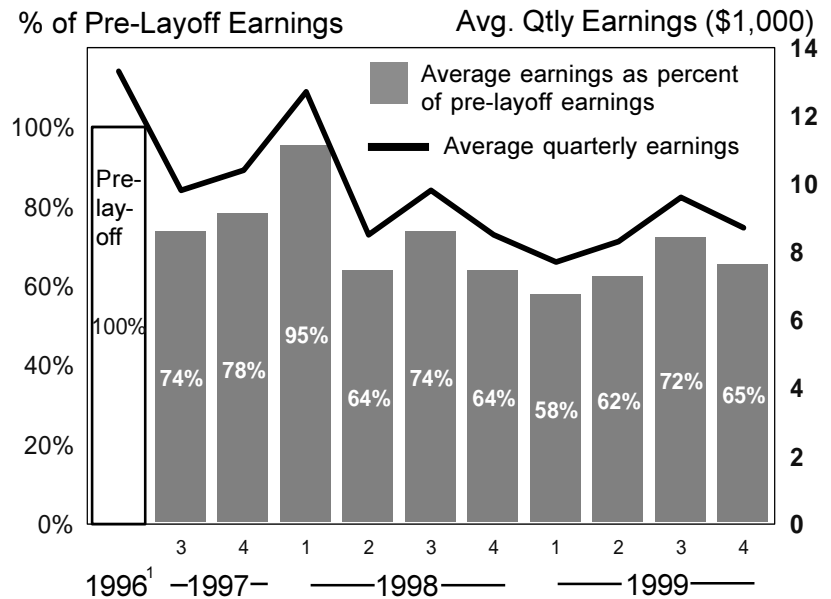
Turnover is another indication of workers having difficulty in finding new, stable employment. Turnover measures the total number of employers an employee worked for over a period longer than a quarter. In the year preceding layoff, only 14 percent of the study group worked for more than one employer. This percentage soared to 77 percent in the second half of 1997 as workers made the transition into new jobs. The proportion of workers holding jobs with more than one employer moderated, but it remained high. In 1999, it still exceeded 43 percent, three times the pre-layoff level. APC workers experienced similar changes in multiple job holding and turnover after layoff.

Workers changed occupation...

Many workers lost earning power as they moved into new occupations. Workers moved from skilled production and technical jobs to administrative and service jobs. The number working in production jobs fell by one-third, the largest occupational shift. Technical worker occupations completely disappeared. (See Exhibit 6.)

The percent of workers in administrative occupations rose by two-thirds after layoff as

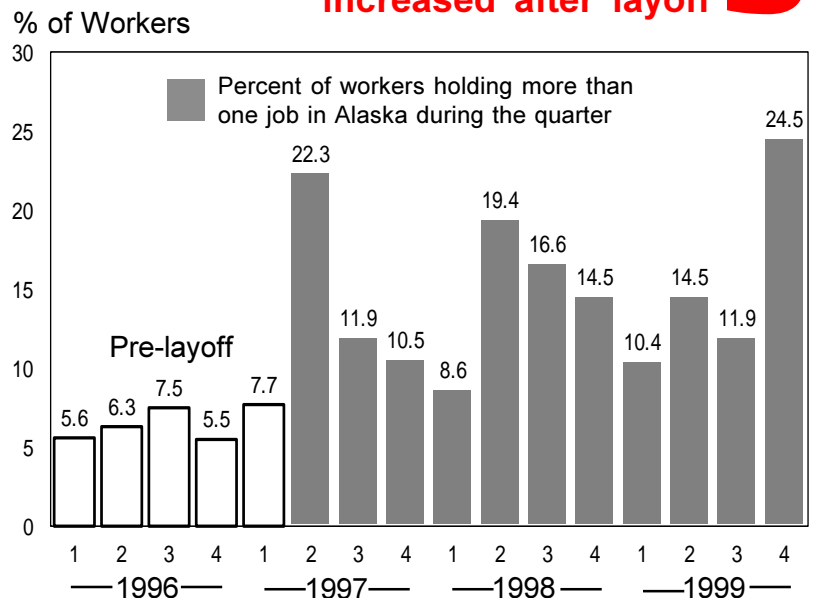
Earnings Decreased after Layoff 4 For workers who stayed in Alaska



¹ 1996 average pre-layoff earnings are based on 4-quarter average before layoff.

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

Multiple Job Holdings 5 Increased after layoff

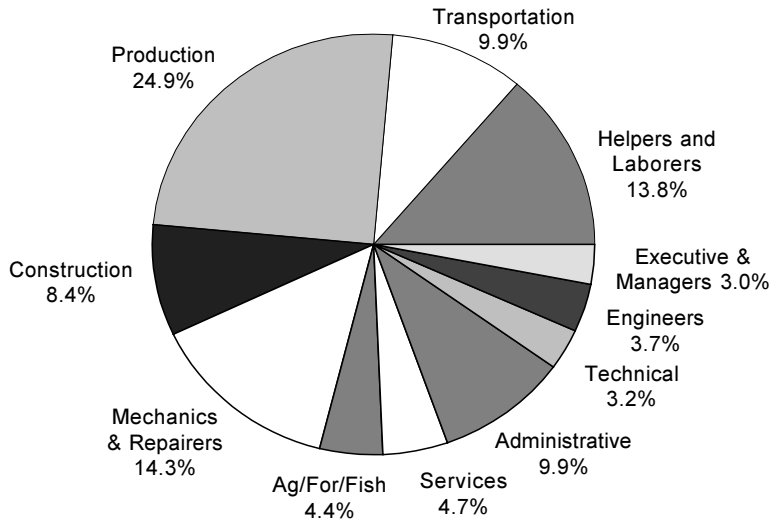


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

6 Worker Occupations

First quarter 1997 (pre-layoff)

Based on 474 workers for whom occupation was reported



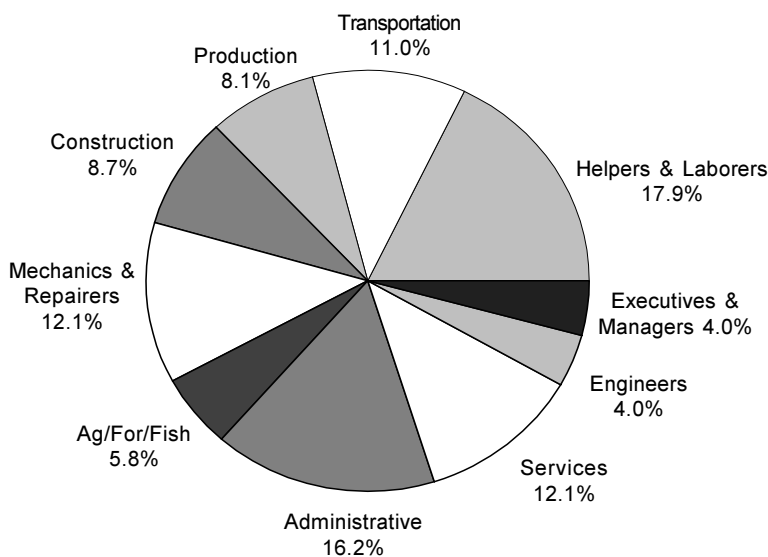
more workers found re-employment in bookkeeping and general office jobs. Service occupations' share more than doubled. In this category, the ten food and beverage supervisor positions led the growth, followed by other food service jobs. Helpers and laborers, predominately unskilled occupations, went from the third largest occupation category before layoff to the largest after layoff.

After APC's mill closure in Sitka the shift of workers into administrative, service and laborer occupations was more dramatic. The smaller shift of KPC pulp mill workers was probably due to some of them obtaining employment in the sawmill.

The first two quarters after layoff, over three-fourths of the re-employed KPC workers held jobs requiring a level of skill the same as or higher than their pulp mill job. However, as the number re-employed in the sawmill division fell, the percent of workers in jobs of the same skill level dropped, with workers being slightly more likely to work in jobs with a lower skill level than a higher one. By 1999, only about two-thirds of the workers held jobs requiring a level of skill the same as or higher than their pre-layoff employment. (See Exhibit 7.)

Changes by second quarter 1999

Based on 178 workers for whom occupation was reported



Although workers laid off from APC were almost equally likely to be re-employed in a lower skill occupation, KPC workers were more likely to find new employment requiring greater skill.

...and changed industry

The lack of other opportunities in timber manufacturing caused most of the re-employed workers to change industry. (See Exhibit 8.) Only 41.5% of those re-employed worked in manufacturing in the six months following the mill closure; 91 workers or 37% of the re-employed were in the timber industry. As the KPC sawmill began curtailing operations in 1999, the share of workers re-employed in manufacturing fell to 27.9%, with 32 workers in the timber industry.

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

Immediately following the layoff, nearly a quarter of the re-employed workers held jobs in the construction industry. By 1999, this proportion had dropped below 15 percent. Other industries in which workers found jobs included services, trade, public administration and transportation. (See Exhibit 8.)

With the exception of construction, the average wage in industries where laid-off workers found new jobs was less than the average received at the pulp mill. Average monthly wages in the services and trade sectors were only two-thirds of manufacturing and construction earnings.

Training programs helped workers

The Alaska Department of Labor and Workforce Development (AKDOL) funds programs to assist workers in need of training assistance. In response to the mill closure, AKDOL and Department of Community and Regional Affairs program staffs worked with KPC management to develop services for displaced workers. KPC helped fund a Career Transition Center (KCTC) which assigned peer counselors to assist workers on an individual basis. (See following article.)

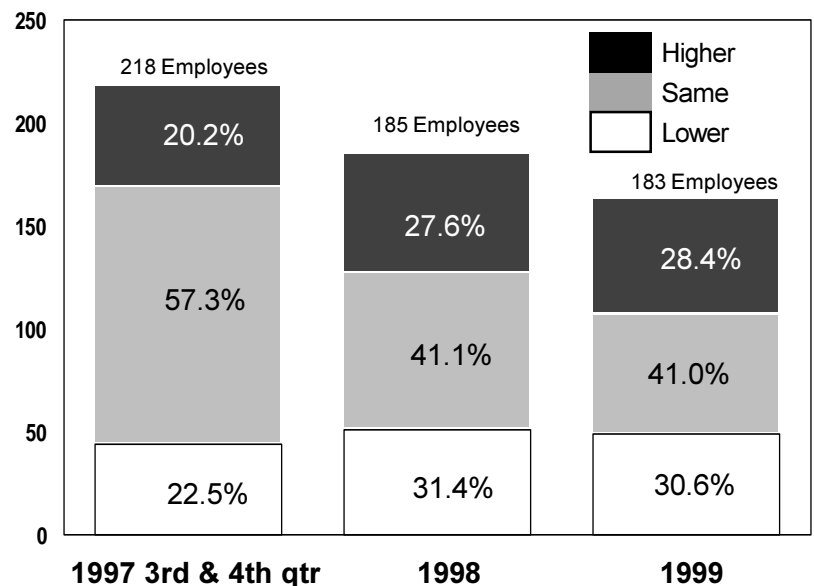
Unemployment insurance (UI) assistance

UI benefits helped workers through the transition

from layoff to re-employment. Compared to the average UI claimant, workers laid off from KPC's pulp mill received greater benefits over a longer period of time. The mill's higher than average wage and large proportion of full-time year-round workers help explain the higher benefits. Through 1998, workers who stayed in Alaska were more likely to receive UI and their benefits were higher. (See Exhibits 9 and 10.) In 1999 however, workers who left the state showed more claims and higher benefits, perhaps reflecting the loss of work at the sawmill.

Generally, the number of weeks of UI claimed and the benefits received declined the longer the worker stayed in Alaska. By the third and fourth quarter of 1999, the number of UI claimants reached its lowest levels in the three years since layoff. Two factors underlie this statistic. Low UI claim levels may indicate that workers who remained were able to find full-time stable employment, while others had left the state. For

Most Workers Retain Skill Level In new job, compared with 1996

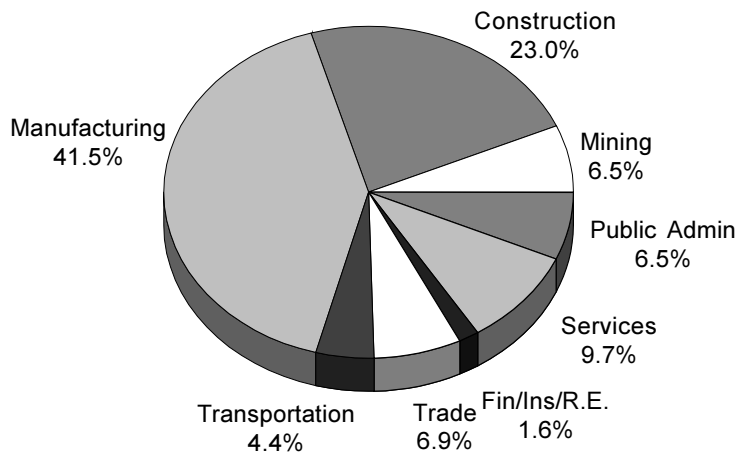


Source: Department of Labor and Workforce Development, Research and Analysis Section

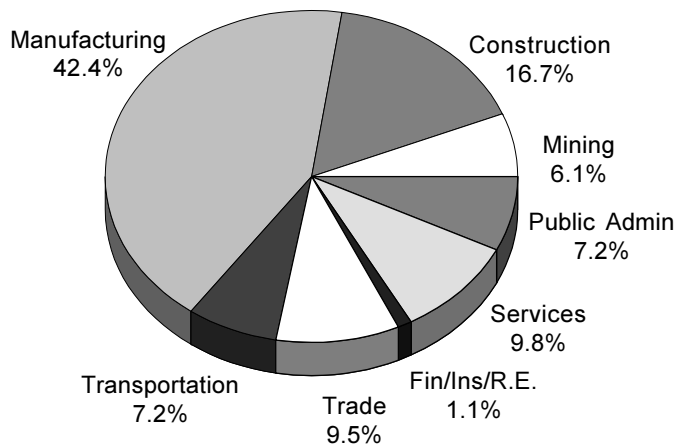
8 Workers by Industry

1997, first two quarters after layoff

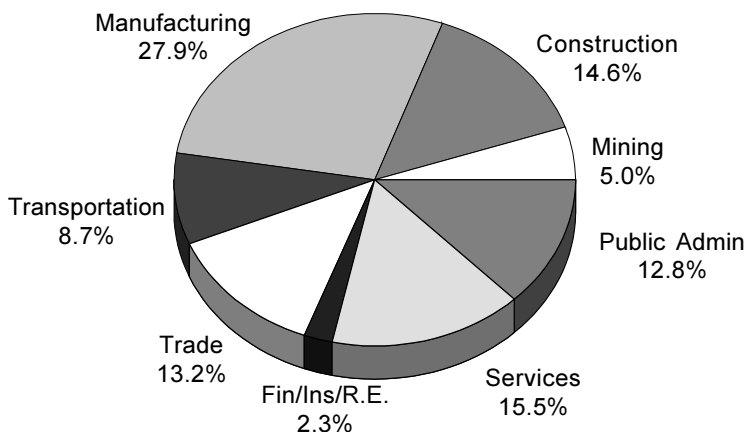
248 workers for whom industry was reported



1998 262 workers for whom industry was reported



1999 229 workers for whom industry was reported



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

some, the two-year limit on benefits based on KPC wages meant they no longer qualified for UI. Again, these UI trends closely resembled those noted for APC workers after the Sitka mill closed.

Methodology

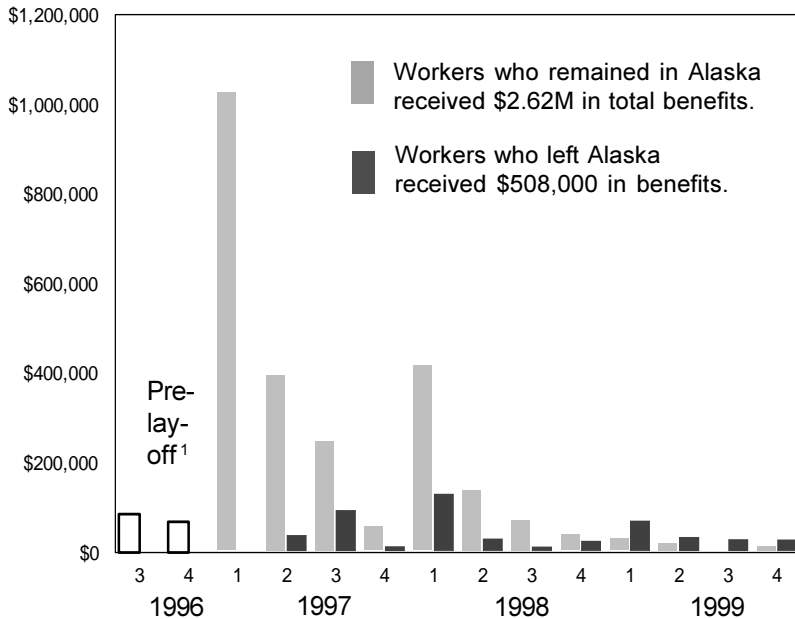
The Ketchikan Pulp Company provided the Alaska Department of Labor and Workforce Development with a list of 516 KPC workers affected by the pulp mill closure. Some of these workers may have left employment with KPC prior to the final closure. However, for simplicity, this article labels the entire group as laid-off workers. Social security numbers and wage data were available for 502 of the workers, and they comprise the group represented in this study.

Worker data were matched with historical unemployment insurance wage records, permanent fund dividend records and other administrative records to determine if these workers were still living and/or employed in Alaska. Wage and employment data were available for virtually all private sector and state and local government employees. However, the wage files do not include information on federal employees or the self-employed. As a result, neither workers who found federal jobs or who started their own business after layoff are counted as employed in this study.

The pulp mill closed near the end of the first quarter of 1997. While most of the workers received wages from KPC in the second quarter, only 73 did in the third. Of the study group, 67

The Ketchikan Career Transition Center

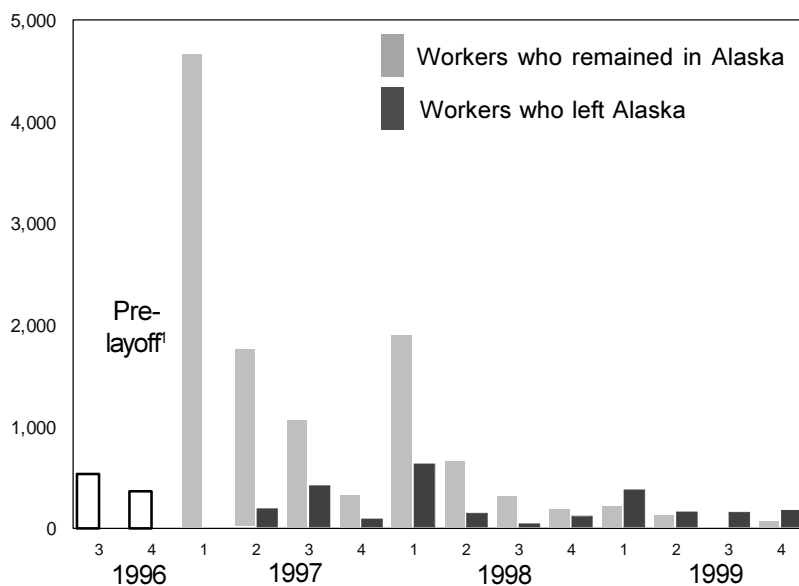
9 Total UI Benefits by Quarter Workers who stayed and workers who left



¹ Includes all workers of the study group

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

10 UI Claims Spiked after Layoff Total weeks claimed



¹ Includes all workers of the study group

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

by Peri Shapansky
Community Development Specialist

workers received wages from KPC at some time in 1998 while only 18 had KPC wages in 1999. These workers were re-employed in KPC's sawmill division. A major difference between the APC and KPC mill shutdowns was this continued employment of some workers with the company.

Records were matched from the first quarter of 1996 through the second quarter of 2000. Because most of the workers received wages from KPC in the second quarter of 1997, most of the analysis begins with the third quarter of 1997. Data for the subset of workers who moved to KPC's sawmill division are identified in some of the analyses. However, for continuity, they remained in the layoff study group. Other subsets of the laid-off workers were identified depending on the variable analyzed.

Methodology for this study was modeled on that used for an article on workers laid off when Alaska Pulp Corporation (APC) closed its pulp mill in Sitka. The APC study appeared in the January 1998 issue of *Alaska Economic Trends*.

During the first two years following the Ketchikan Pulp Company (KPC) layoffs, the Alaska Department of Labor (AKDOL) and Alaska Department of Community and Regional Affairs (DCRA) worked with local, state and federal agencies to operate a Career Transition Center in Ketchikan (KCTC). DCRA received a federal National Reserve Grant, and the U.S. Department of Labor certified the Ketchikan Pulp Company for Trade Adjustment Worker Assistance. Both

of these federal grants allowed the center to offer services designed to help laid-off workers.

Several distinctive circumstances surrounded development of the Ketchikan Career Transition Center. The early announcement six months prior to closure gave employees time to accept the loss of the primary employer in the area. It also allowed program staff to work with management and employees to develop services appropriate to the workers and geographic area.

Other features were:

- Meetings were held with employees, and shortly after this a Labor-Management Committee was established. This committee continued to be active in providing program direction to the KCTC and advocacy for the workers until March 1999.
- Ketchikan Pulp Company/Louisiana Pacific participated in planning and committee activities. The company provided financial support by

paying for designated center staff, provided computers for workers and some staff, donated center space and utilities, and covered some travel costs and job development activities.

- Labor organizations were involved with rapid response from the beginning. As a result of Labor's involvement, Peer Counselors were employed for the first time under the Job Training Partnership Act (JTPA) in Alaska. Peer Counselors provided program information, outreach, and support for workers.
- State and local agencies worked together to develop and maintain the full range of services available in the center and locally.
- The entire staff was from the community of Ketchikan.
- Staff training received special emphasis when establishing the center, and included contracting with outside expertise, agency training and technical assistance.
- A memorandum of agreement among DCRA, AKDOL and KPC outlined responsibilities, lines of authority and procedures, lending clarification for all involved.
- The Trade Adjustment Assistance program was a partner since the first rapid response meeting with the employer.

The success of the Ketchikan Career Transition Center can be attributed in part to what was termed the "Client Service Pod." This model consisted of four essential staff members and their clients working as a team.

Client Service Pod staff and their functions were:

- Community Development Specialist—served the client's training or other job search needs.
- Vocational Counselor—served clients' vocational goal/career development/personal needs.
- Employment Security Specialist—served the client's networking and job development needs.
- Peer Counselor—strove to be a strong voice for the client and helped the worker reach set goals.

The Center offered relocation financial

1 Mill Workers in State Training Programs in 1998

Training Program	Number of Participants
University of Alaska Vocational Education Programs	20
JTPA Secretary's National Reserve ¹	73
JTPA Title III	50
JTPA Governor's Reserve	79
NAFTA/Trade Readjustment Act	51
State Training and Employment Program (STEP)	87

¹ JTPA (Job Training Partnership Act) covers a variety of programs now administered by the Department of Labor and Workforce Development

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

The Ketchikan Gateway Borough

by Rachel Baker
Labor Economist

A profile of the island community in Southeast Alaska

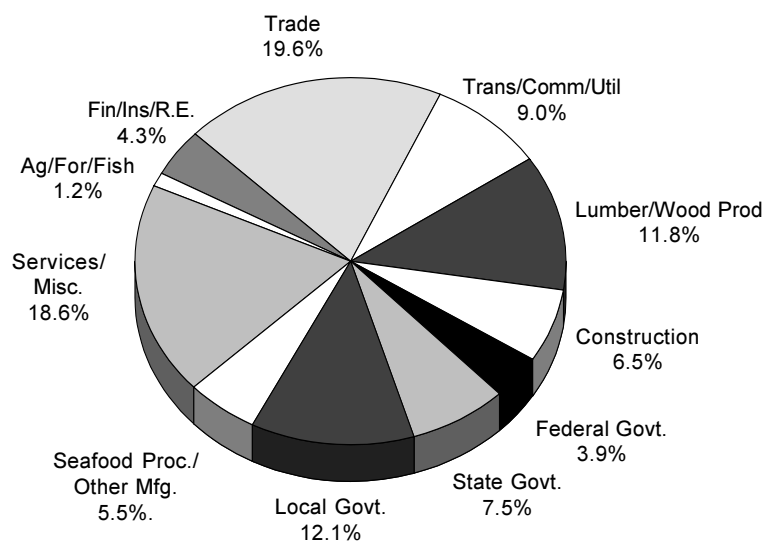
Ketchikan's location at the southern end of Southeast Alaska has earned it the nickname "Alaska's first city." The community lies along the shoreline of Revillagigedo Island between the Tongass Narrows and steep forested mountains. The city of Ketchikan is the state's fifth largest city with a population of about 8,300. The Ketchikan Gateway Borough, which encompasses all of Revillagigedo Island and numerous smaller islands in southern Southeast Alaska, has a population of almost 14,000.

Like many communities in Alaska, Ketchikan's economy has always been tied to the natural resources of the area. Ketchikan began as a mining community in the late 1800s. When mineral prices declined, fish harvesting and processing became the primary economic activities. In the 1950s, the timber industry became the principal economic force when the Ketchikan Pulp Company (KPC) opened a pulp mill, which was supplied with timber from the Tongass National Forest through a 50-year contract with the U.S. Forest Service. The mill became the community's largest employer and provided stable job opportunities in an economy that was fairly short on prospects for year-round employment.

The pulp mill remained the key economic player in Ketchikan until March 1997, when timber supply and demand challenges resulted in the mill's closure. The loss of about 500 jobs, many

of which were high paying and year-round, was a big setback for the community. The effects of the mill closure radiated into other sectors of the economy. Ketchikan's total employment dropped from 1996 through 1999 and the borough's population has fallen by almost 700 since 1996. Vacancy rates in rental units have jumped and real estate sales have languished. The past few years have been a transition period for many Southeast Alaska communities, including Ketchikan, as the roles of timber and fishing in the regional economy continue to diminish.

Ketchikan Employment 1996 Total 7,682 wage and salary



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

Pulp mill helped provide a fairly diverse economy

The stability that the pulp mill provided for over 40 years encouraged the development of a fairly diverse economy in Ketchikan. Fishing, tourism, and government all contributed significantly. This economic diversity can be seen in the breakout of wage and salary employment among industries in 1996, prior to the mill closure. (See Exhibit 1.) Government was Ketchikan's largest provider of wage and salary jobs, with 24 percent of total employment. Ketchikan's manufacturing sector is represented by the lumber and wood products and seafood processing industries. Seafood harvesting, another important part of Ketchikan's economy, is not included in wage and salary employment.

By 1999, Ketchikan's mix of manufacturing employment had changed. (See Exhibit 2.) The lumber and wood products share of total employment dropped from almost 12 percent to

just below six percent. Employment gains in seafood processing and other manufacturing increased that sector's share to 10 percent of total employment.

Employment fell 7% after mill closure

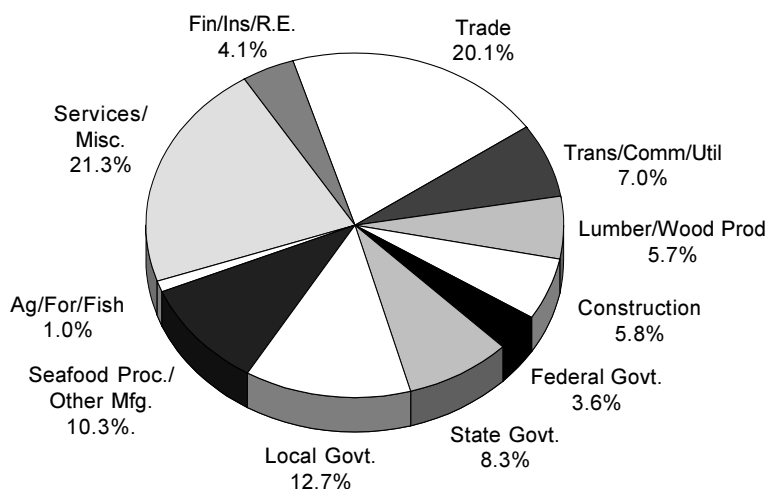
From 1996 to 1999, Ketchikan's employment fell by seven percent. (See Exhibit 3.) For the same time period, Southeast regional employment growth was flat and state job growth was 5.3%. As expected, most of the job losses in Ketchikan came from the manufacturing industry, but significant job losses were also posted in transportation and construction.

Ketchikan's largest employment drop took place in 1997, when almost 400 jobs were lost during the year. Although manufacturing lost another 200 jobs in 1998, most other industries had stable employment levels, and the services sector made a comeback, adding more than 100 jobs. In 1999, the total employment count increased for the first time in Ketchikan since 1995. The employment gain came primarily from seafood processing, as well as from additional wood processing and shipyard jobs.

There was also more good news recently for Ketchikan. Gross business sales for the third quarter of 2000 were reported up from the previous year. Overall, businesses took in more money in this third quarter than for any year since 1996. Construction contracting, real estate, and retail trade all had improved sales in the third quarter 2000. Some sectors fell short of the previous year's figures, however. Professional services like engineers and attorneys, transportation, wood processing, fishing, and hotels had lower gross sales than the third quarter 1999.

Some components of Ketchikan's economy appear to be recovering from the pulp mill closure. Nevertheless, challenges still lie ahead. High

2 Ketchikan Employment 1999 Total 7,146 wage and salary



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

quality jobs like those lost from the KPC pulp mill are difficult to replace. Even if the employment count continues to grow, the quality of the employment mix may not be completely restored. Many new jobs are in retail or services related to tourism, which tend to be seasonal and pay relatively low wages.

Wages in Ketchikan have already lost ground when compared to Alaska and the Southeast region. In 1996, Ketchikan's average monthly wage was about the same as the statewide average and \$160 more than the Southeast average. Since then, Ketchikan's monthly wage has dropped below the state average and remains slightly above the Southeast average. (See Exhibit 4.)

Government is a large employer

Ketchikan is a bit less dependent on government employment than the Southeast region as a whole. All government sectors combined provide almost 25 percent of total employment in Ketchikan, compared with 35 percent in Southeast and 26 percent statewide. Ketchikan has two separate municipal governments—one for the city and one for Ketchikan Gateway Borough. The city has taken over as Ketchikan's largest employer since the pulp mill closure. (See Exhibit 5.) The importance of government employment is apparent in Ketchikan's largest employers list. Government agencies occupy five of the top ten spots on the list of employers with 50 or more workers.

Ketchikan Gateway Borough 3 Wage and salary employment 1990–1999

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Total	7,596	7,166	7,418	7,583	7,733	7,981	7,682	7,286	7,001	7,146
Mining	2	1	1	2	5	1	0	3	0	0
Construction ¹	313	345	308	421	370	432	498	405	412	416
Manufacturing ²	1,645	1,453	1,451	1,496	1,522	1,507	1,329	1,163	949	1,142
Transportation	667	623	822	798	753	770	688	606	574	499
Trade	1,438	1,367	1,427	1,434	1,554	1,625	1,502	1,482	1,449	1,436
Wholesale	270	226	239	213	236	224	209	214	199	189
Retail ³	1,168	1,141	1,188	1,221	1,318	1,402	1,293	1,268	1,250	1,247
Finance/Insur/R.E.	291	284	254	273	291	319	331	298	262	296
Services & Misc.	1,381	1,225	1,234	1,236	1,333	1,445	1,425	1,376	1,487	1,518
Ag/Forestry/Fishing	29	57	53	54	81	87	95	106	68	75
Nonclassified	2	10	6	10	12	11	7	5	0	6
Government	1,828	1,802	1,863	1,859	1,811	1,783	1,807	1,842	1,800	1,758
Federal	288	289	320	322	309	300	303	308	275	256
State	535	519	563	561	560	567	577	601	580	595
Local	1,006	994	980	976	943	916	927	933	945	907

¹ Construction employment adjusted in 1996 and 1997 to account for a firm whose employment was incorrectly counted in Ketchikan.

² Manufacturing employment adjusted in 1990 and 1991 to account for a multi-area logging firm whose total employment was counted in Ketchikan.

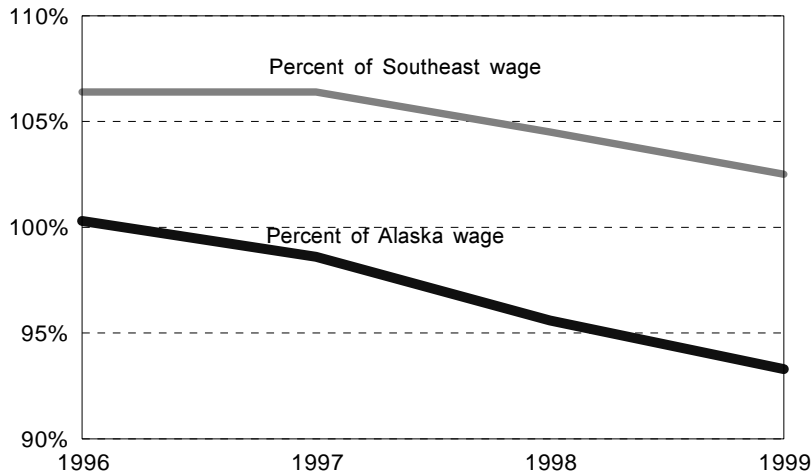
³ Prior to 1996, retail trade includes employment for a multi-worksites employer whose total employment was counted in Ketchikan.

Subtotals may not add to totals due to rounding.

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

4 Monthly Wage has Lost Ground Since 1996 in Ketchikan

Ketchikan avg. monthly wage as a percent of Alaska and SE average



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

5 Employers with 50 Workers Or more in Ketchikan—1999

Rank	Name	Annual Average Employment
1	City of Ketchikan*	355
2	Ketchikan General Hospital	348
3	Ketchikan Gateway Borough School Dist.*	314
4	AK Dept. Transportation & Public Facilities* ¹	274
5	Taquan Air Service Inc	210
6	Ketchikan Pulp Company	155
7	Ketchikan Gateway Borough*	153
8	Wards Cove Packing Co Inc	144
9	Norquest Seafoods	143
10	U.S. Forest Service*	140
11	Williams Inc	132
12	Safeway Inc/Carr Gottstein Foods	125
13	Alaska General Processors	102
14	South Coast Inc	101
15	Ketchikan Indian Corporation	101
16	Alaska Ship and Drydock Inc	90
17	Boyer Towing Inc	83
18	1st Bank	79
19	The Landing	78
20	AK Department of Administration* ²	74
21	Community Connections Inc	68
22	Yes Bay Lodge	63
23	Coastal Fisheries LLC	62
24	Alaska Airlines Inc	61
25	Phoenix Logging Co	61
26	Tongass Trading Co	59
27	Alaska Pacific Logging Inc	57
28	Ty Matt Inc	56
29	Westmark Hotels Inc	53
30	Pacific Log and Lumber Ltd	50

¹ Includes the Alaska Marine Highway System ferry workers.

² Includes the Pioneers' Home.

* Indicates government agency.

Manufacturing employment outlook is uncertain

The drastic decline in timber harvest on the Tongass National Forest has affected logging employment in Ketchikan. (See Exhibit 6.) The number of logging jobs has fallen from an annual average of more than 400 in the early 1990s to just under 200 in 1999. The decline in timber harvest has also created hardships for the wood processing industry. Gateway Forest Products, which took over operations at the former pulp mill site, operates a sawmill. The company would like to open a veneer plant, but a significant investment is needed to fund the development. Uncertainty about a reliable timber supply from the Tongass National Forest affects investment in all timber-related businesses. Recent proposals to include the Tongass in a roadless initiative for national forests could further restrict the number of tracts available for timber sales.

Seafood harvesting continues to be an important component of Ketchikan's economy, although its impact has declined somewhat since the early 1990s. The number of commercial permits held and fished by Ketchikan residents has declined since the late 1980s. The estimated earnings of the permit holders have also declined over the past decade. In 1989, Ketchikan residents earned about \$23 million from commercial fishing. Earnings have dropped almost every year since then, and totaled \$11 million in 1999. (See Exhibits 7 and 8.)

Although salmon and halibut continue to be the primary fisheries, some Ketchikan seafood harvesters have moved into the herring and dive fisheries for sea cucumber, sea urchin, and geoduck. These fisheries are closed to new entrants, so employment growth potential is limited, while harvest value could still increase.

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

Ketchikan makes the most of tourist traffic

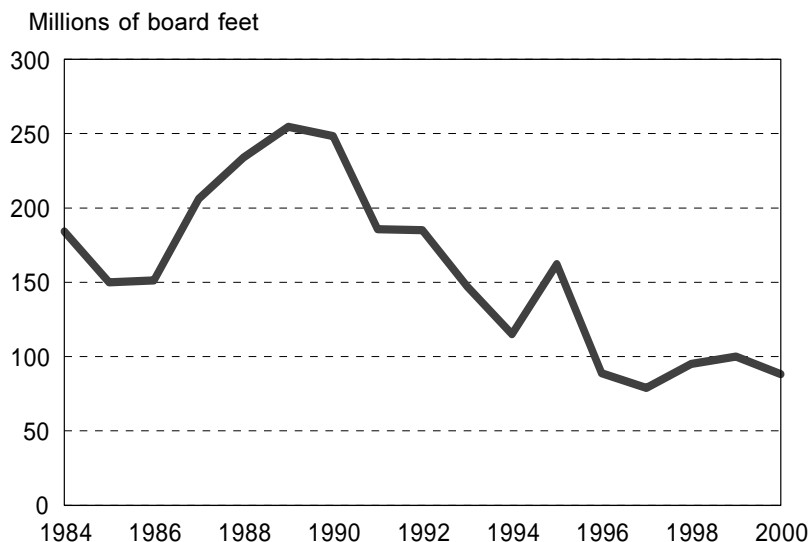
The Ketchikan Visitors Bureau and many local businesses have made an effort to increase tourism activity over the past few years. Cruise ships are the most common mode of arrival for visitors, who numbered more than 570,000 in 2000. Cruise ship traffic in Ketchikan increased rapidly in the early 1990s, but in recent years growth has slowed. The downtown area has been developed to provide tourists with shops and services. Offerings like the Great Alaska Lumberjack Show are typical of the expansion of tourism-related services. But it appears tourism-related retail trade has limited room for growth. Some observers believe the market for seasonal souvenir and gift shops is saturated in downtown Ketchikan. Without significant increases in the number of visitors, major expansion of that sector is not likely.

Ketchikan also serves as a hub for Prince of Wales Island, a popular fishing destination, by providing transportation and supplies for visitors. Travel to Prince of Wales has scaled back recently, however, due to a major cutback in logging activity on the island. The decreased demand for air travel affected Taquan Air, a local carrier, which closed due to financial difficulties, then reopened on a smaller scale under new ownership. State ferry service was also cut back to reduce costs. Transportation from Ketchikan to Prince of Wales will change when the Inter-Island Ferry Authority (IFA) begins service in 2001. The IFA will replace state ferry service, and plans to offer twice-daily, year-round service between Ketchikan and Prince of Wales.

A few positive signs

Ketchikan's economy is showing some positive signs. Construction was completed this year on a new wing of the hospital, and work continues

Tongass Timber Harvest Falls Ketchikan and Prince of Wales **6**



Source: U.S. Forest Service

Fewer Fish Permit Holders Ketchikan numbers decline 1982–1999 **7**

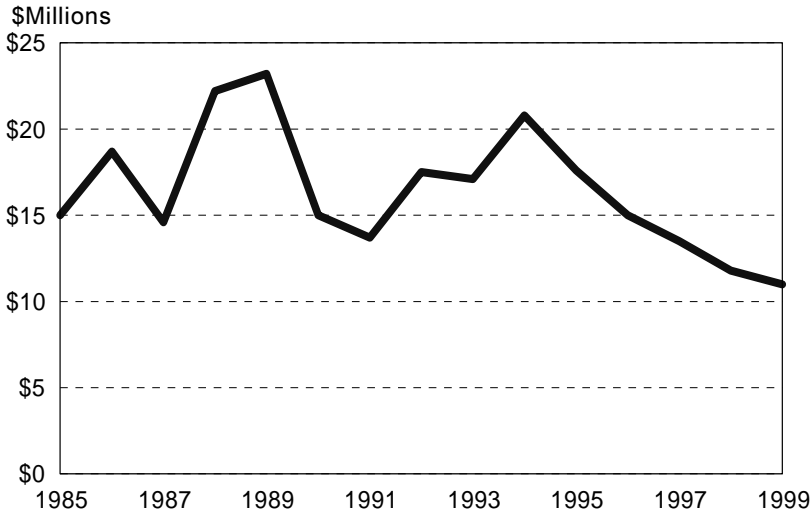
Year	Number of Permit Holders	Number of Permits Fished ¹			
		Total	Salmon	Halibut	Other
1982	391	555	-	-	-
1983	427	637	-	-	-
1984	388	599	-	-	-
1985	384	589	-	-	-
1986	370	604	-	-	-
1987	351	652	-	-	-
1988	367	683	-	-	-
1989	347	623	-	-	-
1990	334	595	228	131	236
1991	339	607	231	146	230
1992	345	591	229	132	230
1993	322	543	221	117	205
1994	312	532	190	110	232
1995	314	551	185	70	296
1996	295	511	164	69	278
1997	279	506	160	69	277
1998	268	509	150	72	287
1999	252	452	147	53	252

¹ Detailed permit data not available before 1990.

Source: Alaska Department of Fish and Game, Commercial Fisheries Entry Commission

8 Commercial Fisheries Earnings

Ketchikan residents' estimated gross



Source: Commercial Fisheries Entry Commission

on Ketchikan's Wal-Mart, the first in Southeast Alaska. The store is scheduled to open in early 2001 and is expected to provide 150 jobs. Publicly funded construction will also give Ketchikan's economy a boost. Construction is underway on a state youth detention facility, and the borough could receive about \$560,000 in federal aid intended to compensate for reduced timber harvest on national forests. The funds are to be used for education and road construction.

As for business growth in Ketchikan, there are both opportunities and roadblocks. For example, significant funds are needed to expand the facilities of Alaska Ship and Drydock, and the future of the veneer plant is uncertain. After three tough years following the pulp mill closure, some of Ketchikan's economic indicators are starting to turn up. But the development of quality, year-round employment opportunities for residents is a big challenge, one that Ketchikan shares with other Southeast Alaska communities.

9 1999 Statistics

A Snapshot of Ketchikan Gateway Borough

	Alaska	Ketchikan
Population	622,000	13,961
<i>Ketchikan's population is older...</i>		
Median age	32.9	37.1
<i>less racially diverse...</i>		
White	73.7	79.8
Native American	16.8	14.7
Black	4.4	0.7
Asian & Pacific Islander	5.0	4.8
<i>has fewer children, more seniors...</i>		
Percent under 20	34.0	29.9
Percent 20 to 64	60.6	62.2
Percent 65 years & over	5.4	7.9
<i>and an average proportion of females.</i>		
Percent female	48.0	48.1
<i>Fewer residents have degrees...</i>		
High school graduate or higher (1990) ¹	85.8	84.0
Bachelor degree or higher (1990) ¹	20.3	18.2
<i>and more are unemployed.</i>		
Percent unemployed	6.4	7.5
<i>Income is higher and wages are below average.</i>		
Personal per capita income (1998)	\$28,518	\$31,803
Annual average monthly earnings	\$2,793	\$2,606
<i>More housing is available...</i>		
Percent vacancy rate (2000)	6.6	13.4
<i>while rents compare favorably with other SE communities.²</i>		
Juneau Borough		\$900
Sitka Borough		824
Ketchikan Gateway Borough		784
Municipality of Anchorage		747
Wrangell-Petersburg Census Area		707

¹ Source: U.S. Department of Commerce, Bureau of the Census

² Average monthly rent for apartment, condominiums and other rental units, not including single family residences or mobile homes. Rent adjusted to include utilities.

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

Alaska Employment Scene

by
Neal Fried
Labor Economist

Nearly All Industries Are Running Positive

In Alaska in October, there were 4,300 more jobs than there were a year ago. Small contributions from the majority of the state's industries are generating nearly half of the overall gains in the state's labor market.

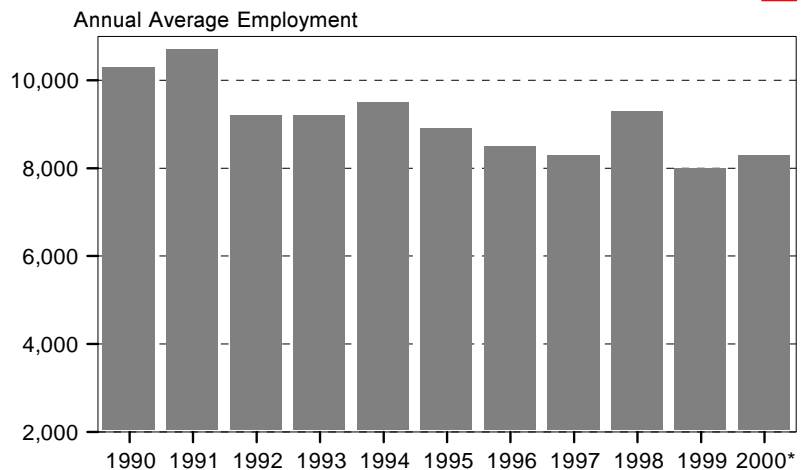
With an 8.5% growth rate, the oil industry is enjoying the most robust employment gains. The fact that oil prices have now been running over \$30/barrel for more than six months certainly is a big help. The state's third largest oil field, Alpine, just went into production. Work on Alpine continues and the Northstar project has shifted into high gear. The recovery in Alaska's oil patch was slow to come, given the length of the high price oil environment of the past year. Hopefully this delay will not translate into lost opportunities but instead into larger gains next year. (See Exhibit 1.)

Air transportation has been giving the economy a boost. Strong air cargo growth has been keeping the numbers aloft, but Reeve Aleutian's recent announcement that it will lay off most of its 300 employees will lower their altitude. Later this year and early next year there could be more downdraft as United Airlines closes its air freight facility in Anchorage. Most observers, however, believe growth from other international air cargo players will fill in the cargo gap relatively quickly. In fact, United Parcel Service, Northwest Airlines and Federal Express, all operators at the Ted Stevens International Airport, were recently awarded eight routes to the People's Republic of China. The gap left by Reeve Aleutian will be

more difficult to fill. Passenger related air transportation employment will have a difficult time next year overcoming this loss.

Construction employment figures are also running 2% ahead of last year's numbers. Although residential activity is lackluster, commercial and public projects are enjoying a good year. In Fairbanks, the new courthouse, hotel expansion, a new hotel, and strong military spending are the anchors keeping that community's building activity healthy. The oil patch recovery on the North Slope is also a substantial plus for the industry. The highway construction season was

Oil Industry Employment Begins to recover



* last 2 months estimated

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

a positive around the state. The state's largest project, reconstruction and expansion of the Ted Stevens International Airport in Anchorage, is in full swing. Other projects contributing to construction's gains include a new Wal-Mart in Ketchikan and a new jail in Anchorage.

Employment in retail also continues to run moderately in the black. Retail's most important season is just beginning—Christmas. Because of a record Permanent Fund Dividend check and a decent economy, Alaska's retailers should enjoy healthy holiday sales in 2000. Total public sector employment is enjoying moderate growth with pluses in state and local government, offsetting the losses at the federal level. Federal government's losses are largely due to the privatization of the Indian Health Service.

The other half of the job growth is coming from one industry—services. As the state's largest and fastest growing private sector industry, services is the locus of much of the employment action. Hotels and social services are two big contributors

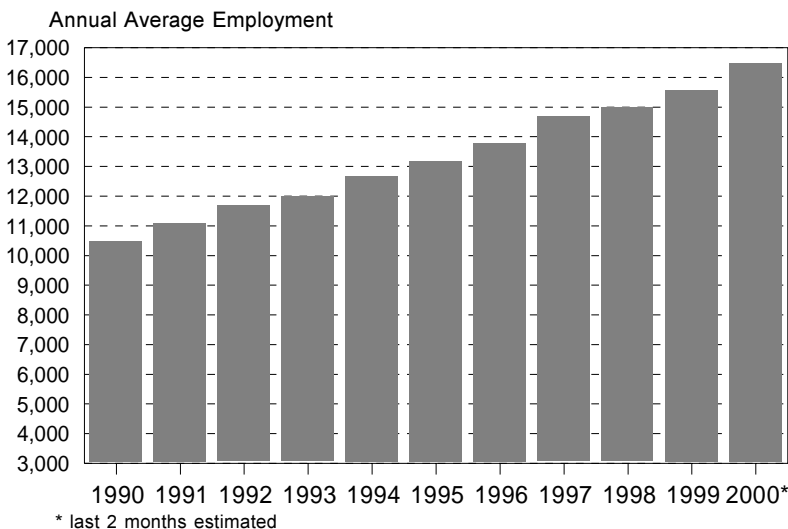
to its performance. The new full-service Marriot in Anchorage and the expansion of a number of hotels around the state has employment running 7% ahead of year-ago levels. Social services is on a roll, with growth spurred by privatization, welfare reform and new monies available from the federal government. The balance of the growth in services (half of it) is coming from health care.

Health care just won't quit growing

Health care services just continues its relentless uninterrupted march forward. (See Exhibit 2.) Hospitals around the state are in expansion mode and new clinics and professional medical offices are sprouting up everywhere. It is actually an old story that does not seem to change. Employment in this sector has grown for more than 20 years (with a slight pause in 1986) and there appears to be no end in sight. During the past decade, private sector health care employment has grown by 30% versus 19% for the overall workforce. Nationally, health care has also been one of the more dynamic sectors, growing by 25%. As a stand-alone industry, health care is large. Private health care is nearly six percent of all wage and salary employment, larger than manufacturing, finance, mining and others. Improved technology, changes in health care delivery and an aging population help explain some of this spectacular growth.

Alaskans are consuming more of their health care needs in-state. There is evidence that the growth of managed care in other states has encouraged health professionals to move to Alaska. The privatization of the federal Indian Health Service has also added some zip into the private sector employment. Although federal health care employment fell by approximately 250 through June 2000, nonprofit private contractor employment grew by more than twice that number. Employment in health care is projected to continue to remain one of the state's more

2 Health Care Employment Just keeps on growing



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

dynamic economic sectors. In last month's *Alaska Economic Trends*, an article on future occupational opportunities predicted that nine out of the fifteen fastest growing occupations will be in health care.

Manufacturing and finance lose ground

The only two major industry categories to register losses are manufacturing and finance. Manufacturing losses continue to come from hits taken in both timber and fish processing. Timber employment this year is at its lowest level in many decades. No major recovery is expected any time soon. Seafood processing losses narrowed in October; their fate for any single month or year have become much more difficult to predict. Banking employment is down slightly in 2000. With the sale of National Bank of Alaska to Wells Fargo, some consolidation is occurring. But this is not the only bank with a slightly smaller workforce. The reasons for other small losses in banking are not entirely clear.

A gas pipeline may be on its way

The Governor crowned the good news coming out of the oil patch when he announced recently that the Alaska Highway route is his preferred route for a gas pipeline. This route would parallel the oil pipeline as far as Tok, and then follow the Alaska Highway into Canada, with the gas reaching its destination in the U.S. midwest markets. Although the construction of the gas line is not a sure bet, strong national demand, high gas prices and other factors have greatly improved its prospects. A possible startup date for this project is 2005, with a completion date of 2007. Early preliminary estimates put the cost of this project at \$10 billion—which would make it the second largest construction project in the state's history. The Trans-Alaska Pipeline (TAPS) cost was \$23.5 billion in current dollars.

While this would represent a huge undertaking, it is not likely to grip the state's economy the same way TAPS did during its construction phase. In 1973, when pipeline construction began, the state's population was 336,400, whereas today's population is 622,000. Today's wage and salary workforce is more than twice as large as 1973's—284,000 versus 110,000. In 1973 the value of the state's entire gross state product was \$8.8 billion (1998 dollars) versus \$22 billion in 1998.

No workforce estimates for the project have yet been made public, but they will be considerably smaller than TAPS, which peaked at 28,000 in 1976. A few reasons for this may be that Alaska's share of the Alaska Highway route is a bit shorter than TAPS, the entire line will be buried, and much of the necessary infrastructure is already in place (the haul road, the pipeline corridor, airports on the North Slope, etc.) The state's economy now has much more capacity and experience for undertaking such an ambitious project. Technological breakthroughs in welding, pipe construction and compressor technology have improved construction efficiency.

The project is still enormous and its impact will be felt around the state. It will create thousands of high paying jobs for Alaskans during its construction phase. It will generate an estimated \$200 to \$400 million in revenues annually to the state. It could lead to other gas pipelines, such as a liquid natural gas line for export. It should also provide a more affordable source of power and heat to consumers and businesses, which could in turn lead to additional economic development. The economic opportunities this project could provide have already given the economy a boost of confidence. Whether it has yet begun to influence individual or business investment decisions is unknown. But if plans continue to firm up, there is little doubt it will.

3 Nonagricultural Wage and Salary Employment

By place of work

Alaska	preliminary	revised	Changes from:		
	10/00	9/00	10/99	9/00	10/99
Total Nonag. Wage & Salary	283,300	295,000	279,000	-11,700	4,300
Goods-producing	37,700	42,600	37,200	-4,900	500
Service-producing	245,600	252,400	241,800	-6,800	3,800
Mining	10,100	10,200	9,400	-100	700
Oil & Gas Extraction	8,500	8,600	7,800	-100	700
Construction	15,800	17,000	15,500	-1,200	300
Manufacturing	11,800	15,400	12,300	-3,600	-500
Durable Goods	2,800	2,900	3,200	-100	-400
Lumber & Wood Products	1,600	1,700	2,000	-100	-400
Nondurable Goods	9,000	12,500	9,100	-3,500	-100
Seafood Processing	6,500	9,900	6,500	-3,400	0
Transportation/Comm/Utilities	27,000	28,600	26,500	-1,600	500
Trucking & Warehousing	2,900	3,000	2,900	-100	0
Water Transportation	1,900	2,300	1,900	-400	0
Air Transportation	9,700	10,000	9,500	-300	200
Communications	5,200	5,200	5,100	0	100
Electric, Gas & Sanitary Svcs.	2,700	2,800	2,700	-100	0
Trade	57,400	60,400	57,000	-3,000	400
Wholesale Trade	8,800	9,200	8,900	-400	-100
Retail Trade	48,600	51,200	48,100	-2,600	500
Gen. Merchandise & Apparel	10,000	9,700	9,900	300	100
Food Stores	6,700	6,900	6,800	-200	-100
Eating & Drinking Places	16,600	18,200	16,300	-1,600	300
Finance/Insurance/Real Estate	12,900	12,800	13,000	100	-100
Services & Misc.	72,700	76,000	70,300	-3,300	2,400
Hotels & Lodging Places	7,200	9,000	6,700	-1,800	500
Business Services	9,100	9,300	9,000	-200	100
Health Services	16,800	16,700	15,800	100	1,000
Legal Services	1,600	1,600	1,700	0	-100
Social Services	8,100	8,200	7,800	-100	300
Engineering & Mgmt. Svcs.	8,000	8,200	7,900	-200	100
Government	75,600	74,600	75,000	1,000	600
Federal	16,400	17,200	16,600	-800	-200
State	22,800	22,400	22,300	400	500
Local	36,400	35,000	36,100	1,400	300

Municipality of Anchorage	preliminary	revised	Changes from:		
	10/00	9/00	10/99	9/00	10/99
Total Nonag. Wage & Salary	135,900	137,500	133,100	-1,600	2,800
Goods-producing	13,100	13,800	12,700	-700	400
Service-producing	122,800	123,700	120,400	-900	2,400
Mining	2,700	2,800	2,500	-100	200
Oil & Gas Extraction	2,500	2,600	2,400	-100	100
Construction	8,300	8,800	8,100	-500	200
Manufacturing	2,100	2,200	2,100	-100	0
Transportation/Comm/Utilities	14,600	14,900	14,300	-300	300
Air Transportation	6,300	6,300	6,100	0	200
Communications	3,500	3,500	3,400	0	100
Trade	31,700	32,400	31,500	-700	200
Wholesale Trade	6,300	6,500	6,400	-200	-100
Retail Trade	25,400	25,900	25,100	-500	300
Gen. Merchandise & Apparel	5,000	4,900	4,900	100	100
Food Stores	2,600	2,700	2,700	-100	-100
Eating & Drinking Places	9,300	9,600	9,100	-300	200
Finance/Insurance/Real Estate	7,700	7,600	7,800	100	-100
Services & Misc.	40,000	40,300	38,100	-300	1,900
Hotels & Lodging Places	3,200	3,400	2,800	-200	400
Business Services	6,400	6,600	6,300	-200	100
Health Services	9,100	8,900	8,300	200	800
Legal Services	1,200	1,200	1,200	0	0
Social Services	4,000	4,100	3,800	-100	200
Engineering & Mgmt. Svcs.	6,200	6,000	6,200	200	0
Government	28,800	28,500	28,700	300	100
Federal	9,500	9,700	9,800	-200	-300
State	9,200	8,900	8,900	300	300
Local	10,100	9,900	10,000	200	100

Notes to Exhibits 3, 4, & 5—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 5—Prepared in part with funding from the Employment Security Division.

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

4 Hours and Earnings

For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary	revised		preliminary	revised		preliminary	revised	
	10/00	9/00	10/99	10/00	9/00	10/99	10/00	9/00	10/99
Mining	\$1,412.80	\$1,537.29	\$1,417.04	51.3	55.8	52.6	\$27.54	\$27.55	\$26.94
Construction	1,250.74	1,330.58	1,161.43	46.6	47.1	43.0	26.84	28.25	27.01
Manufacturing	543.02	542.41	529.76	41.9	46.8	44.0	12.96	11.59	12.04
Seafood Processing	392.41	450.19	445.50	42.7	49.8	45.0	9.19	9.04	9.90
Transportation/Comm/Utilities	806.11	760.38	683.73	36.1	34.5	35.5	22.33	22.04	19.26
Trade	486.86	459.01	442.86	34.9	33.9	33.0	13.95	13.54	13.42
Wholesale Trade	649.78	639.60	619.38	38.2	37.1	37.0	17.01	17.24	16.74
Retail Trade	458.25	428.52	412.15	34.3	33.4	32.3	13.36	12.83	12.76
Finance/Insurance/Real Estate	642.90	641.67	609.53	36.8	36.5	35.5	17.47	17.58	17.17

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 1999

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

5 Nonagricultural Wage and Salary Employment

By place of work

			Changes from:					Changes from:			
	preliminary	revised	10/99	9/00	10/99	preliminary	revised	10/99	9/00	10/99	
Fairbanks						Interior Region					
North Star Borough											
Total Nonag. Wage & Salary	34,600	35,600	34,100	-1,000	500	Total Nonag. Wage & Salary	39,950	41,950	39,600	-2,000	350
Goods-producing	3,850	4,150	3,700	-300	150	Goods-producing	4,100	4,350	4,050	-250	50
Service-producing	30,750	31,450	30,400	-700	350	Service-producing	35,850	37,600	35,550	-1,750	300
Mining	1,050	1,100	1,000	-50	50	Mining	1,200	1,200	1,150	0	50
Construction	2,200	2,400	2,100	-200	100	Construction	2,250	2,450	2,250	-200	0
Manufacturing	600	650	600	-50	0	Manufacturing	650	700	650	-50	0
Transportation/Comm/Utilities	3,050	3,350	2,950	-300	100	Transportation/Comm/Utilities	3,900	4,200	3,800	-300	100
Trucking & Warehousing	600	650	550	-50	50	Trade	7,700	8,450	7,950	-750	-250
Air Transportation	950	950	900	0	50	Finance/Insurance/Real Estate	1,200	1,250	1,350	-50	-150
Communications	450	450	400	0	50	Services & Misc.	9,550	10,400	9,300	-850	250
Trade	6,850	7,050	7,100	-200	-250	Hotels & Lodging Places	950	1,600	950	-650	0
Wholesale Trade	750	800	800	-50	-50	Government	13,500	13,300	13,150	200	350
Retail Trade	6,100	6,250	6,300	-150	-200	Federal	3,850	4,050	3,800	-200	50
Gen. Merchandise & Apparel	1,100	1,100	1,250	0	-150	State	4,950	4,800	4,800	150	150
Food Stores	700	700	750	0	-50	Local	4,700	4,450	4,550	250	150
Eating & Drinking Places	2,200	2,300	2,250	-100	-50	Anchorage/Mat-Su Region					
Finance/Insurance/Real Estate	1,150	1,150	1,250	0	-100	Total Nonag. Wage & Salary	149,350	151,450	146,000	-2,100	3,350
Services & Misc.	8,500	8,950	8,300	-450	200	Goods-producing	14,650	15,350	14,250	-700	400
Hotels & Lodging Places	700	950	750	-250	-50	Service-producing	134,700	136,100	131,750	-1,400	2,950
Health Services	2,050	2,000	1,950	50	100	Mining	2,750	2,800	2,550	-50	200
Government	11,200	10,950	10,800	250	400	Construction	9,650	10,200	9,400	-550	250
Federal	3,350	3,450	3,250	-100	100	Manufacturing	2,250	2,350	2,300	-100	-50
State	4,700	4,550	4,550	150	150	Transportation/Comm/Utilities	15,700	16,050	15,400	-350	300
Local	3,150	2,950	3,000	200	150	Trade	35,450	36,200	35,050	-750	400
Southeast Region						Finance/Insurance/Real Estate	8,150	8,150	8,250	0	-100
Total Nonag. Wage & Salary	35,650	39,300	35,550	-3,650	100	Services & Misc.	43,400	44,050	41,300	-650	2,100
Goods-producing	4,900	6,150	5,200	-1,250	-300	Government	32,000	31,650	31,750	350	250
Service-producing	30,750	33,150	30,350	-2,400	400	Federal	9,600	9,850	9,900	-250	-300
Mining	300	300	300	0	0	State	10,100	9,850	9,750	250	350
Construction	1,750	1,800	1,700	-50	50	Local	12,300	11,950	12,100	350	200
Manufacturing	2,850	4,050	3,200	-1,200	-350	Southwest Region					
Durable Goods	1,400	1,500	1,700	-100	-300	Total Nonag. Wage & Salary	16,950	18,100	16,400	-1,150	550
Lumber & Wood Products	1,150	1,200	1,450	-50	-300	Goods-producing	3,250	4,700	3,050	-1,450	200
Nondurable Goods	1,450	2,550	1,500	-1,100	-50	Service-producing	13,700	13,400	13,350	300	350
Seafood Processing	1,150	2,250	1,200	-1,100	-50	Seafood Processing	3,000	4,400	2,800	-1,400	200
Transportation/Comm/Utilities	2,700	3,450	2,650	-750	50	Government	6,050	5,750	6,100	300	-50
Trade	6,200	7,050	6,100	-850	100	Federal	350	350	350	0	0
Wholesale Trade	600	650	600	-50	0	State	500	500	500	0	0
Retail Trade	5,600	6,400	5,500	-800	100	Local	5,200	4,900	5,250	300	-50
Food Stores	1,250	1,300	1,250	-50	0	Gulf Coast Region					
Finance/Insurance/Real Estate	1,250	1,250	1,250	0	0	Total Nonag. Wage & Salary	26,750	29,350	26,800	-2,600	-50
Services & Misc.	8,050	8,900	7,800	-850	250	Goods-producing	5,600	6,550	5,850	-950	-250
Health Services	1,750	1,750	1,700	0	50	Service-producing	21,150	22,800	20,950	-1,650	200
Government	12,550	12,500	12,550	50	0	Mining	1,050	1,100	1,100	-50	-50
Federal	1,750	1,900	1,750	-150	0	Oil & Gas Extraction	1,050	1,100	1,100	-50	-50
State	5,300	5,350	5,300	-50	0	Construction	1,450	1,550	1,450	-100	0
Local	5,500	5,250	5,500	250	0	Manufacturing	3,100	3,900	3,300	-800	-200
Northern Region						Seafood Processing	2,200	3,000	2,350	-800	-150
Total Nonag. Wage & Salary	15,200	15,200	14,400	0	800	Transportation/Comm/Utilities	2,400	2,600	2,400	-200	0
Goods-producing	5,350	5,400	4,800	-50	550	Trade	5,350	6,100	5,300	-750	50
Service-producing	9,850	9,800	9,600	50	250	Wholesale Trade	600	800	650	-200	-50
Mining	4,750	4,750	4,250	0	500	Retail Trade	4,750	5,300	4,650	-550	100
Oil & Gas Extraction	4,300	4,300	3,800	0	500	Eating & Drinking Places	1,550	1,850	1,500	-300	50
Government	4,550	4,450	4,550	100	0	Finance/Insurance/Real Estate	850	850	850	0	0
Federal	150	150	150	0	0	Services & Misc.	5,650	6,300	5,550	-650	100
State	350	300	300	50	50	Health Services	1,150	1,150	1,100	0	50
Local	4,050	4,000	4,100	50	-50	Government	6,900	6,950	6,850	-50	50
						Federal	700	800	700	-100	0
						State	1,600	1,600	1,600	0	0
						Local	4,600	4,550	4,550	50	50

6 Unemployment Rates

By region and census area

Not Seasonally Adjusted	Percent Unemployed		
	preliminary	revised	
	10/00	9/00	10/99
United States	3.6	3.8	3.8
Alaska Statewide	5.5	5.0	5.7
Anch/Mat-Su Region	4.4	4.1	4.7
Municipality of Anchorage	4.0	3.7	4.2
Mat-Su Borough	6.4	5.7	6.7
Gulf Coast Region	8.8	7.9	9.2
Kenai Peninsula Borough	8.5	5.9	10.4
Kodiak Island Borough	9.7	15.4	4.9
Valdez-Cordova	8.9	4.5	9.9
Interior Region	5.6	4.6	5.7
Denali Borough	9.9	4.6	9.7
Fairbanks North Star Borough	4.9	4.1	5.2
Southeast Fairbanks	10.9	8.6	9.4
Yukon-Koyukuk	11.4	9.4	10.4
Northern Region	10.0	10.8	9.7
Nome	9.4	10.2	9.1
North Slope Borough	9.5	10.9	8.3
Northwest Arctic Borough	11.8	11.3	12.8
Southeast Region	5.7	4.4	5.6
Haines Borough	7.4	3.1	9.1
Juneau Borough	4.6	3.8	4.9
Ketchikan Gateway Borough	6.5	4.9	6.2
Prince of Wales-Outer Ketchikan	8.9	7.4	7.7
Sitka Borough	3.9	3.2	4.8
Skagway-Hoonah-Angoon	8.6	4.9	4.5
Wrangell-Petersburg	6.3	5.1	6.5
Yakutat Borough	6.9	5.6	4.4
Southwest Region	8.4	8.2	7.6
Aleutians East Borough	3.7	4.0	4.5
Aleutians West	7.4	5.1	5.4
Bethel	8.7	9.0	8.1
Bristol Bay Borough	6.1	4.5	7.3
Dillingham	5.3	5.4	6.9
Lake & Peninsula Borough	9.9	8.6	4.0
Wade Hampton	14.8	14.7	12.0
Seasonally Adjusted			
United States	3.9	3.9	4.1
Alaska Statewide	6.0	6.3	5.7

March 1999 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 and Workforce Development, Research and Analysis Section

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Employer Resources

The Work Opportunity Tax Credit (WOTC) and Welfare-to-Work (W2W) programs offer federal tax credits to employers as an incentive to hire people in specific target groups. Employer tax credits are designed to help people gain on-the-job experience and acquire better employment.

WOTC and W2W help both employers and targeted job seekers. Employers save as tax credits help defray payroll expenses. Job seekers qualifying as a member of one of the targeted groups gain an advantage in the job market.

The image shows two screenshots of web pages. The top screenshot is from the 'Employer Connection' page of the Alaska Job Center Network. It features a navigation menu with links such as 'Home', 'Search', 'Postings', 'Post', 'Security', and 'Shop'. The main content area includes sections for 'Job Order Options', 'Seafood Industry Employers', and 'Welfare-to-Work'. A black arrow points to the 'Tax Credits' link in the bottom navigation menu. The bottom screenshot is from the 'labor.state.ak.us' website, specifically the 'Work Opportunity and Welfare-to-Work Tax Credits' page. It features a graphic titled 'BUSINESS BUI' and 'TAX CREDITS' and lists several questions and links, including 'What are the WOTC and W2W Programs?', 'Who is Helped by WOTC and W2W?', and 'How to Get Forms'. The text below the graphic explains that employer tax credits are an important part of strategies to help people gain on-the-job experience and acquire better employment, and that the WOTC and W2W programs offer federal tax credits to employers as an incentive to hire people in seven specific target groups, with the credits extended through December 31, 2001.