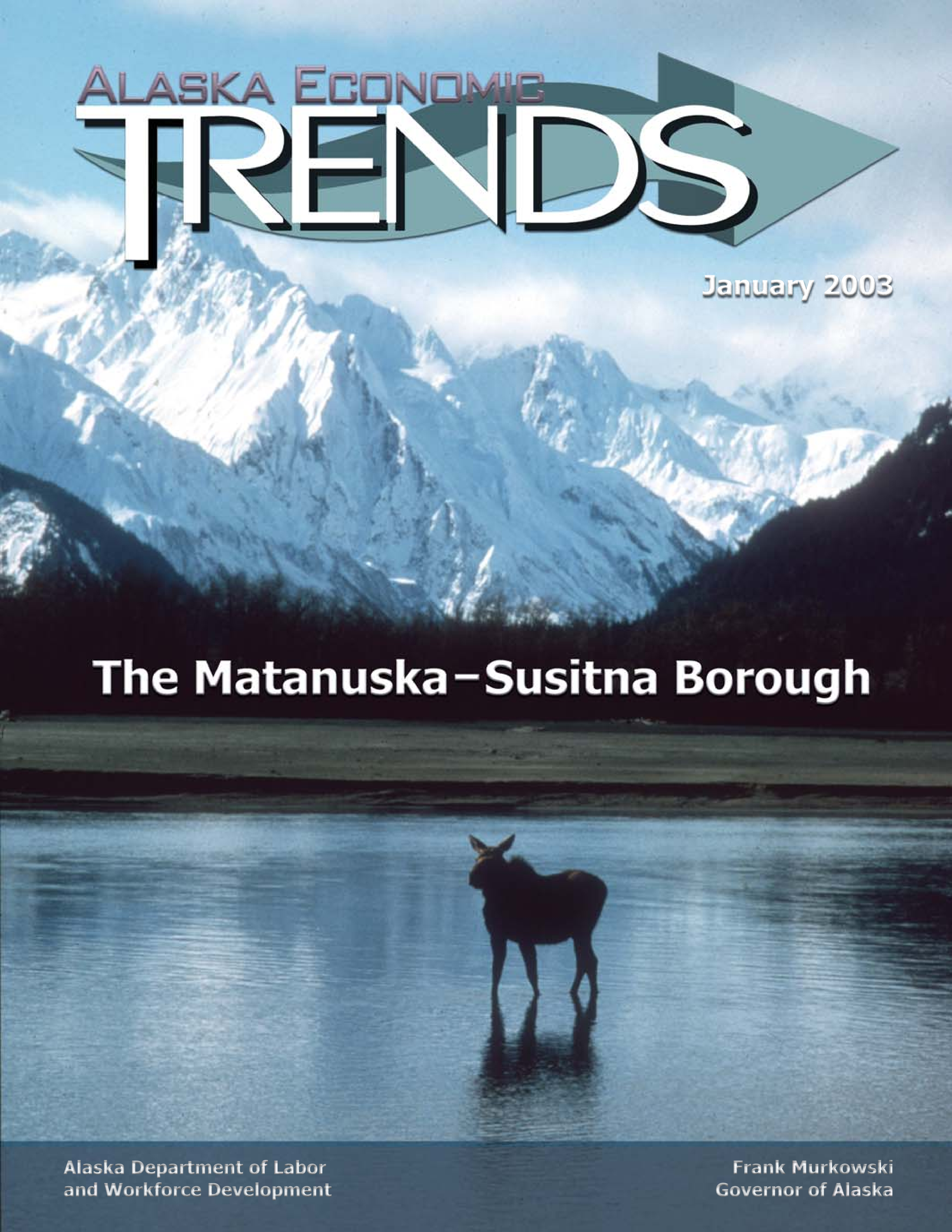
Alaska Economic

TRENDS

January 2003



The Matanuska–Susitna Borough

Alaska Department of Labor
and Workforce Development

Frank Murkowski
Governor of Alaska

ALASKA ECONOMIC TRENDS

January
2003
Volume 23
Number 1

ISSN 0160-3345

Alaska Economic Trends is a monthly publication dealing with a variety of economic-related issues in the state.

Alaska Economic Trends is funded by the Employment Security Division and published by the Department of Labor and Workforce Development, P.O. Box 21149, Juneau, Alaska 99802-1149.

Printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of $1.43 per copy.

To contact us for more information, to subscribe, or for mailing list changes or back copies, email trends@labor.state.ak.us

Cover photo courtesy of the Department of Community and Economic Development

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AN ECONOMIC PROFILE

The Matanuska-Susitna Borough

by Neal Fried
Labor Economist

Its growth is in a league all its own

The Matanuska-Susitina Borough has received a lot of attention in this past ten years for its rapid growth. In reality, it grew at an even faster rate during the prior three decades. During the most recent period, no other area of the state came close to the borough's track record of population and employment growth. This unmatched growth has attracted special attention from Alaska and national retailers, service providers, developers and others seeking business opportunities. (See Exhibits 1 and 2.)

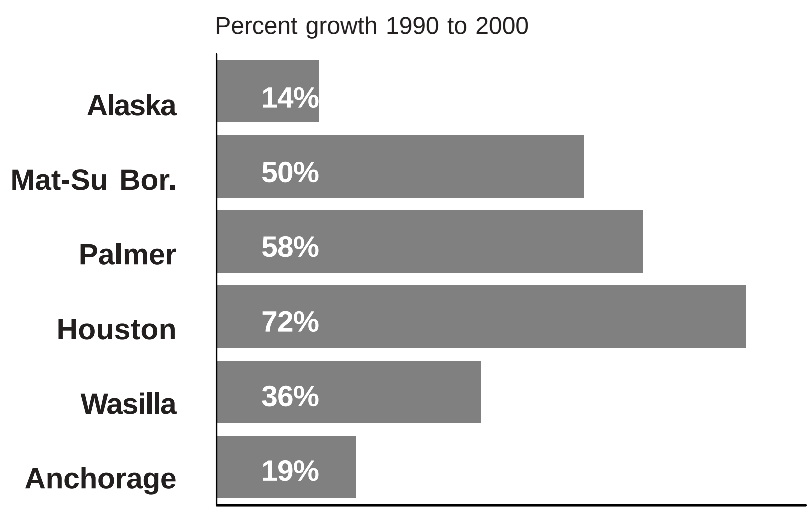
It's a big place

Both in population and in physical size, the Mat-Su Borough ranks third in the state. With 62,426 residents, it trails only Fairbanks and Anchorage. And at 22,683 square miles, it is nearly as large as West Virginia. Although it is a big place, 90 percent of its residents live in a relatively narrow corridor between the communities of Willow and Sutton. (See map page 14.) Only three communities are incorporated or have political boundaries—Wasilla, Palmer and Houston. The residents of these three communities represent only 19 percent of the borough's population, and the balance lives in unorganized places. While most residents live in a relatively concentrated area, some communities such as Skwentna and Chase are reachable only by plane, train, boat, snowmachine and other off-road vehicles. Places such as Y, Talkeetna, Glacier View, and Lake Louise are on the road system, but are distant from any major population center.

What makes the borough's economy tick?

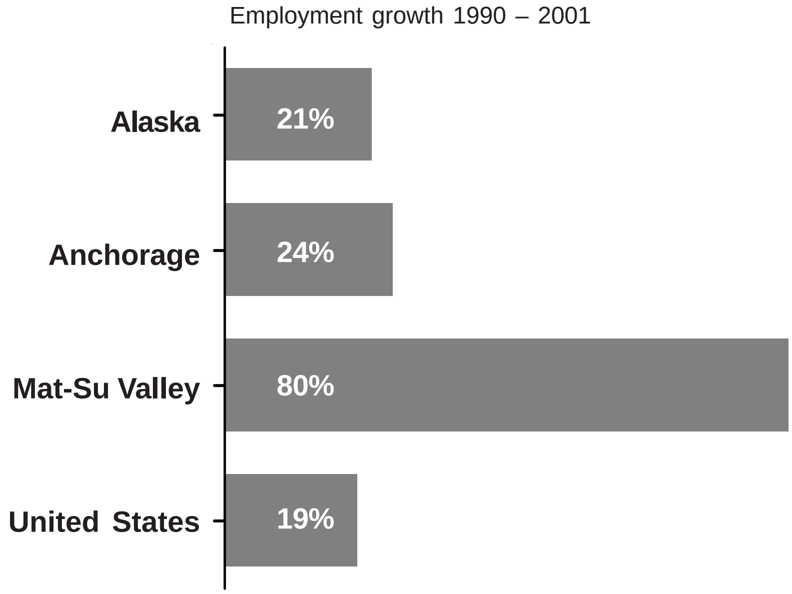
Historically, most of the communities in the borough were established to support farming, gold and coal mining. The Matanuska-Susitna Valley was literally the breadbasket of Alaska. Mining largely disappeared when the Valdez Creek gold mine closed down in 1995, but potential for other mining activity remains. The Valley is still the largest agricultural producer in the state, but farming has been largely overshadowed in importance by other economic players.

Mat-Su Population Growth 1
Is a good economic indicator



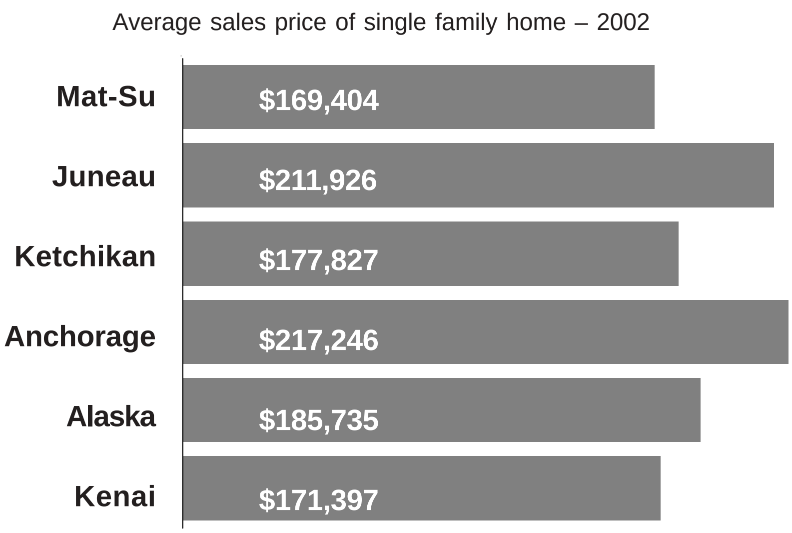
Source: U.S. Census Bureau

2 Valley Employment Growth
Is way out ahead



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

3 Housing is a Big Attraction
In the Mat-Su Valley



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

Today the Mat-Su economy derives its vitality from a number of different quarters. Probably its most prominent source of economic stimulus is its role as residence of choice for many people who work somewhere else. The Valley's visitor industry also continues to broaden and expand. A growing number of businesses in the Mat-Su provide services to the rest of the state, such as Job Corps, the GCI call center and others. As the Mat-Su Borough's population rises to higher levels, more of the services needed by the local populace are generated locally. Combined, these several forces have elevated the Mat-Su Borough to the most dynamic economy in the state.

Commuters remain the backbone

In a sense, the Mat-Su Borough fits the classic national metro-suburban commuter model. That is, many people who live in the Mat-Su Borough commute to work outside the borough each day. In fact, recently released U.S. Census 2000 commuter data show that 35 percent of the Valley's labor force works outside the borough. The details of where they commute to are not yet available, but obviously the vast majority of them commute to Anchorage. Data produced by the Alaska Department of Labor and Workforce Development does shed some light on where Mat-Su residents work. According to this data (it excludes federal and self-employed workers) 35.4 percent of Valley residents worked in Anchorage. Another 5 percent were working on the North Slope, with the remaining 6.5 percent working in places around the state. Commuting workers earned more in total wages than all those who worked in the Valley.

According to the 2000 census, the average commute time to work for Valley residents was 41 minutes, up from 32 minutes in 1990. It is unclear whether the time increased because of growing congestion, increased distance, or both. The average Alaskan spends 20 minutes commuting to work, and only 6 percent commute outside of their area to work—making this commuting pattern unique to the Valley. So why do so many commute?

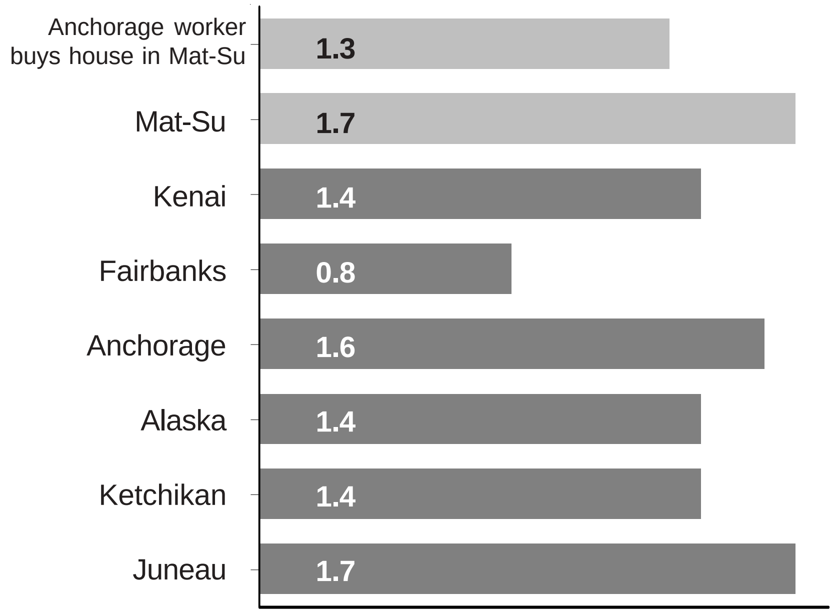
There are likely a host of reasons, but some are better explainers than others. Two compelling reasons lie behind the willingness to commute. The Mat-Su Borough offers a very competitive housing market to the state's housing consumers, and Anchorage, the state's largest labor market, is within easy daily travel distance for most Mat-Su residents.

The lure of affordable housing

There is little doubt that part of the Valley's appeal is its affordable housing market. The numbers paint a clear picture. That is not to say that other factors such as lifestyle, scenery, etc. don't play an important role, but they are more difficult, if not impossible, to quantify. In 2002, the average sales price of a single family home in the Valley came in at $169,404, a full 22 percent below the average single family home price in Anchorage. (See Exhibit 3.) The Valley's housing prices also come in significantly below the statewide average of $185,735. This price differential is a strong enticement to workers in Anchorage, retirees, and those who work outside the region (such as the North Slope) but want to live near a larger community.

Another way of looking at housing affordability is measuring how many wage earners it takes to pay for the "average" mortgage. If one approaches affordability in this manner, it becomes more obvious why an Anchorage wage earner would choose to live in the Valley. According to the Department of Labor's calculation, it would take 1.3 Anchorage wage earners to pay for that average Mat-Su mortgage versus 1.6 for a home in Anchorage. (See Exhibit 4.) Housing affordability for the wage earner who lives and works in the Valley is higher than for an Anchorage resident/worker, because average Valley wages are significantly below Anchorage's. (See Exhibit 5.)

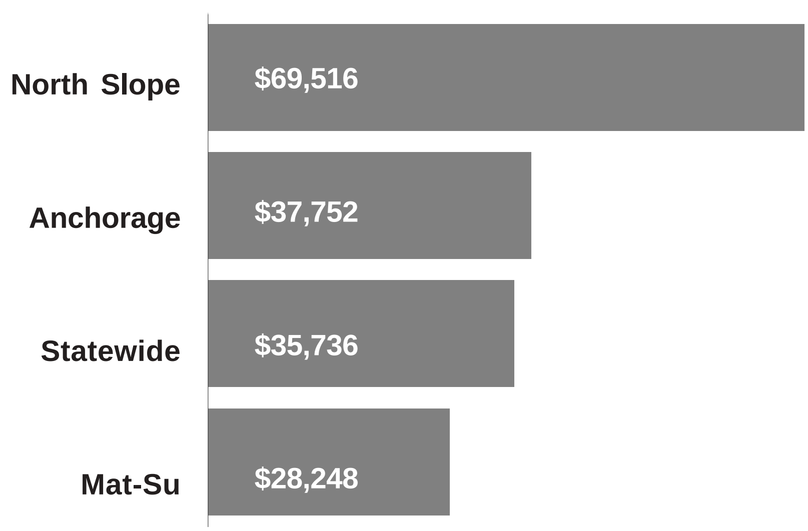
Number of Wage Earners Needed 4
To buy an average house – 2001



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

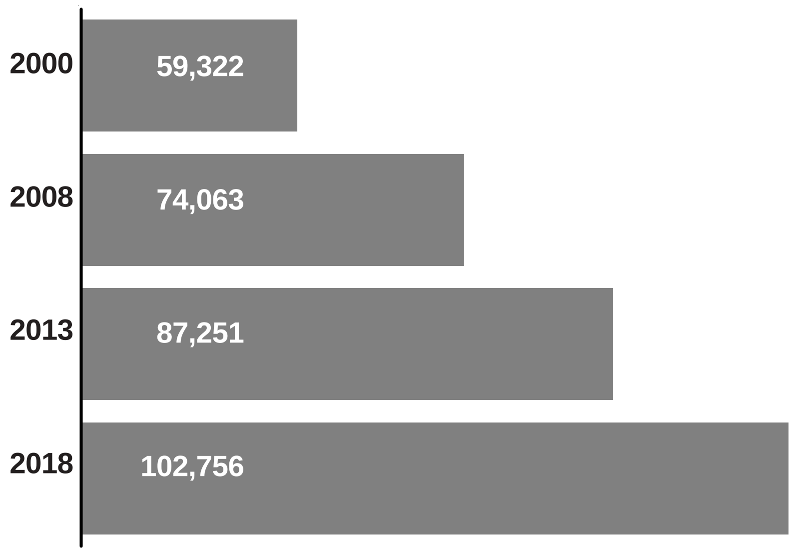
The Dynamics of Living in Valley 5
And working somewhere else

Average annual wages – 2001



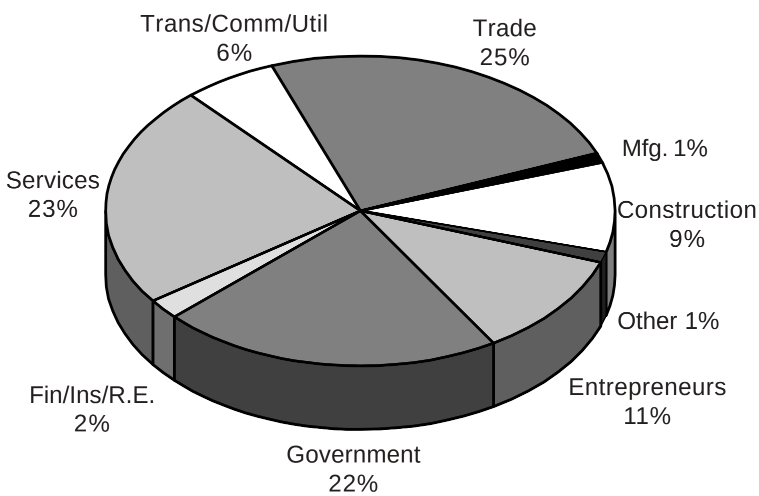
Source: Alaska Department of Labor and Workforce Development,Research and Analysis Section

6 Will Valley Hold 100,000 People
In 15 years?
Mat-Su population projections



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

7 Where the Jobs are in 2001
In the Matanuska-Susitna Borough



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

Some 2000 Census figures on home ownership shed light on the importance housing plays in the Mat-Su Borough. In the Valley, 79 percent of households own their own home compared to approximately 62 percent statewide. Compared to Anchorage, where only 60 percent of households own their home, the difference is even more dramatic. An even greater difference is the fact that 81 percent of Valley housing units are single family detached homes, versus 46 percent for Anchorage.

As the availability of developable land continues to shrink in Anchorage, and land values continue to rise, there is little doubt the Valley will continue to grab a bigger and bigger share of the region's single family home market and overall population. (See Exhibit 6.)

Factors other than affordability contribute to making the housing market attractive in the Mat-Su Valley, such as the availability of larger lots or a more rural lifestyle. Alternative types of housing that are increasingly rare in Anchorage are another attraction. For example, in 2001, 158 of the new residential units built did not meet the uniform building code standards—which probably means many were cabins. Much of this building is tied to recreation, but for other households it is the primary home. Often this type of housing does not require any kind of mortgage and is paid out-of-pocket. In Anchorage, where land costs are considerably higher and planning and zoning regulations prevail, there are fewer opportunities for nonconforming housing.

Higher wages in Anchorage and elsewhere entice Valley residents

One of the reasons many residents choose to work outside of the borough is because better wages can often be had elsewhere. The average monthly wage in the Valley in 2001 was $28,248 compared to $37,752 in Anchorage. Even higher wages can be earned on the North Slope and elsewhere. Valley wages tend to be lower because retail and services play such a predominate role in the area's economy. (See Exhibits 5, 7, 8, and 9.) More of the higher paying jobs in oil, transportation, government, health care, and company headquarters are found in Anchorage. In fact, more than half of the wages and salaries earned by Mat-Su residents in 2001 came from outside the borough. For example, in 2001 Mat-Su residents earned nearly $59 million from state government, but only $32 million of it was generated in the Valley. Another example of this is the fact that Mat-Su residents earned nearly $120 million dollars in payroll, mostly from the mining industry (nearly all oil), which has only a miniscule presence in the Valley itself. A greater variety of jobs in Anchorage and lower unemployment are also attractive to Valley residents. (See Exhibit 10.)

The Valley is doing more of its own wash

The tremendous expansion that has taken place in Valley retail and service industries largely explains why the number of jobs in the Valley has grown nearly four times the rate of the rest of the state. Local residents are spending more of their income locally and less in Anchorage. Economists sometimes label this phenomenon as "import substitution"—which takes place when it becomes economical for a region to go from buying their goods and services from outside their area, to buying them locally. Whether it is because the Valley has reached a critical size, or due to a long-term trend, does not matter. In the process, additional employment is generated. A full 67 percent of new jobs in the area came from the retail and service industries during the past decade. (See Exhibit 11.)

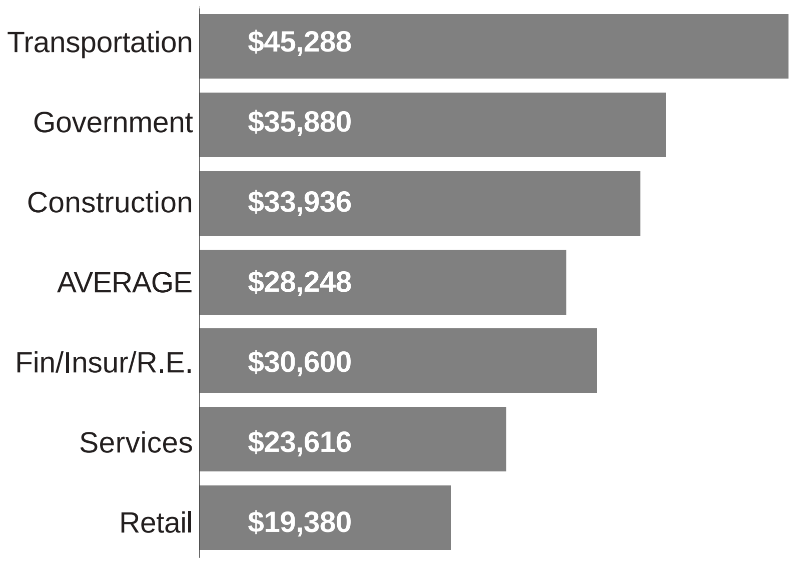
The fact that employment grew considerably faster than population may be another indicator of the "import substitution" trend. Very strong sales tax receipt growth for the cities of Palmer and Wasilla is further evidence that the Valley is capturing more of its residents' consumption dollars. Since 1995, sales taxes collected in these communities increased by 77 percent—much faster than the 28 percent growth for the borough's

Wage & Salary Employment 8
Mat-Su Borough 1990 – 2001

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	Payroll 2001
Total Industries	7,078	7,878	8,253	8,667	9,575	10,080	10,261	10,685	11,367	11,726	12,352	12,874	$363,714,330
Mining	65	162	169	172	164	75	23	19	24	25	31	34	$1,388,499
Construction	304	397	366	438	560	639	646	794	1,017	1,043	1,163	1,317	$44,689,375
Manufacturing	96	95	73	85	100	107	105	133	132	128	135	149	$4,141,139
Trans/Comm/Util	695	784	815	844	887	935	955	844	856	819	862	874	$39,577,373
Trade	1,853	2,012	2,100	2,198	2,584	2,604	2,677	2,768	2,959	3,310	3,376	3,553	$70,390,774
Wholesale Trade	134	133	157	167	188	220	257	240	283	297	170	156	$4,564,656
Retail Trade	1,720	1,879	1,943	2,031	2,396	2,384	2,437	2,528	2,676	3,013	3,206	3,397	$65,826,118
Fin/Insur/R.E.	191	195	209	223	251	320	303	323	334	347	319	312	$9,545,854
Services	1,316	1,540	1,727	1,824	2,178	2,421	2,597	2,889	3,070	3,018	3,295	3,364	$79,449,776
Government	2,493	2,640	2,718	2,785	2,778	2,869	2,841	2,806	2,863	2,909	3,042	3,140	$112,671,346
Federal	104	107	107	116	115	125	138	138	137	148	206	163	$8,220,673
State	815	810	813	797	821	834	836	847	824	829	876	896	$31,695,999
Local	1,574	1,723	1,798	1,872	1,842	1,910	1,813	1,821	1,902	1,932	1,960	2,081	$72,754,674
Misc. & Unclassified	66	53	77	22	104	111	111	127	116	128	89	129	

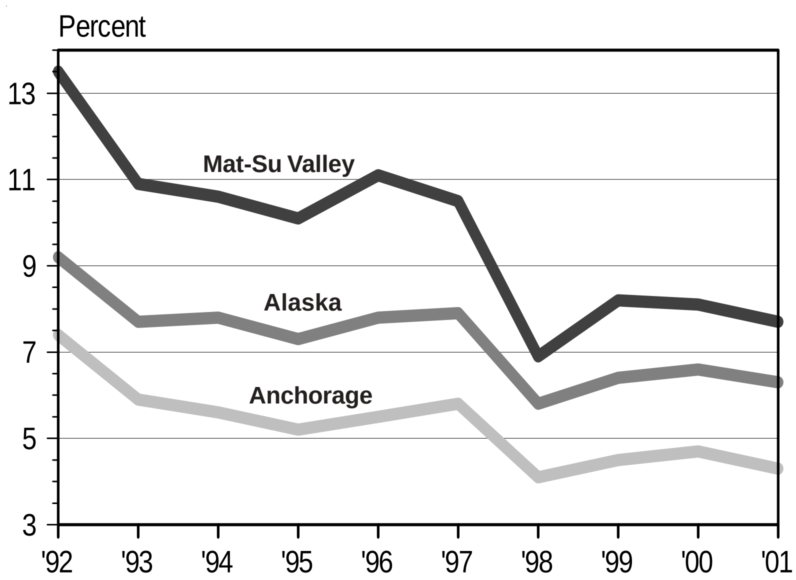
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

9 The Annual Wage Picture
In the Mat-Su Valley – 2001



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

10 The Unemployment Rate
In Mat-Su Valley has come down



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

population. (See Exhibit 12.) Preliminary figures for 2002 show this trend continuing. The most recent example of this is discussion surrounding the possibility of building a new $75 million hospital in the Valley. The promoters of the project believe there is already enough demand to justify a new hospital and that all they need to do is capture more of it locally and let less of it leak to Anchorage.

The Valley exports some of its services

Other businesses besides the visitor industry and the housing market cater to the needs of other places in the state, and create income in the area. A number of these players are on the list of the Valley's largest employers (see Exhibit 13.) Examples include Job Corps, Alaska Department of Corrections, GCI, New Horizon Telecom and others. Whether it is providing communication services, training opportunities or correctional services to the rest of the state, the effect on the economy is similar—all generate new jobs and payroll in the Valley. Even some of the car dealers and other service providers cater not only to the local population, but also to Anchorage clientele. Will this trend accelerate? That is a tough question to answer, but given the wealth of the borough's industrial and commercial land base and its expanding infrastructure, which include a new port and improved roads, it would not be surprising.

A diverse visitor industry

During the past five years, bed tax receipts in the Mat-Su Valley more than tripled, while visitor growth in much of the rest of the state was far more subdued. (See Exhibit 14.) Two significant reasons for this growth came with the opening of the 238-room Mt. McKinley Princess Lodge in 1997 and the 200-room Talkeetna Lodge in 1999. Both of the hotels are now among the borough's largest employers. (See Exhibit 13.) The opening of these two hotels also led to a big increase in other businesses in the Talkeetna area that cater to visitors. Moreover, the McKinley Princess will be adding 76 more rooms in 2003.

Before the two lodges were built, the Valley already had a well developed visitor industry that catered to the more independent type of visitor. A significant number of these come from Anchorage for temporary stays. Many own recreational property in the area. According to the 2000 Census, 5,222 housing units or a full 19 percent of the Valley's housing stock is devoted to seasonal, recreational or occasional use, compared to 8 percent statewide. These "absentee" homeowners pay property taxes and spend money in the local economy. A well developed winter tourism industry is tied to snow machining and other winter activities. The Valley is the jumping off point for the Iditarod dog sled race. The Talkeetna area also serves as the gateway for climbers heading up Denali or other nearby mountains, along with the popular flightseeing tours. The entire region is a major destination for fishing, hiking and hunting for both nonresidents and residents. As a result of this growth, several smaller lodges, bed and breakfasts, and other visitor services have opened for business in recent years.

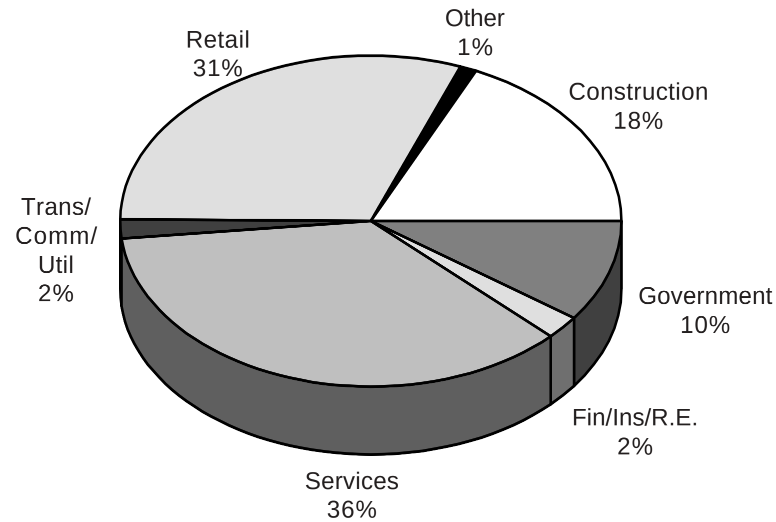
Agriculture is still a player

More than half of the value of the state's agricultural production comes out of the Mat-Su Valley. In 2001 the value of this production was $10.5 million, out of the $19 million for the entire state. Most of this value is in crops, but livestock is also important. Generally speaking, the value of this production has been increasing since the mid-1990s. (See Exhibit 15.)

Nothing short of a population boom

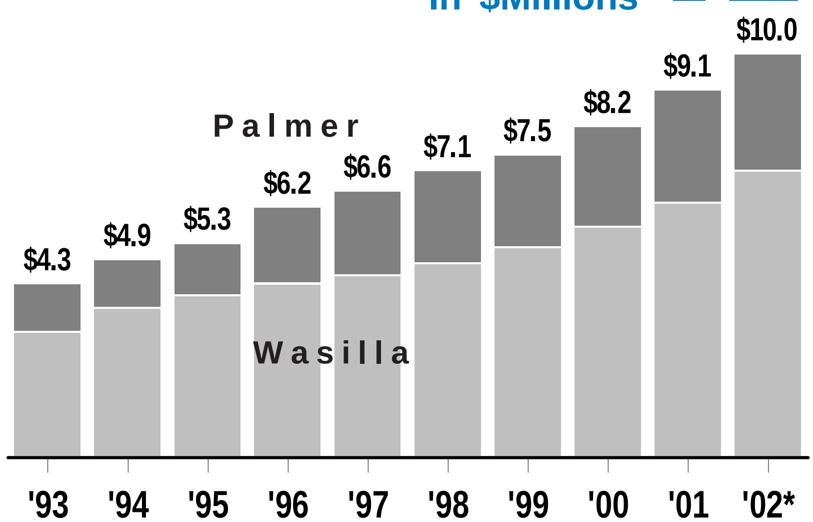
Since 1990, the borough's population has grown by 57 percent, versus 17 percent for Anchorage and 15 percent statewide. The borough's annual rate of population growth since 1990 has been 4.2 percent, compared to 1.3 percent statewide

5,000 Jobs Created In Mat-Su Valley 1991 – 2001 — 11



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

Sales Tax Receipts In $Millions — 12



Source: Cities of Palmer and Wasilla * Estimated

13 Top 50 Employers for 2001
In the Mat-Su Borough

Rank		2001 Employment
1	Mat-Su Borough Schools	1,650
2	Valley Hospital	467
3	Wal-Mart	341
4	Safeway	335
5	Fred Meyer Stores	283
6	Mat-Su Borough	237
7	Matanuska Telephone Association	231
8	University of Alaska	159
9	Alaska Department of Corrections	150
10	Mat-Su Services for Children and Adults	137
11	Advanced Concepts (Job Corps)	131
12	Nye Frontier Ford	123
13	Alaska Department of Administration	120
14	Mat-Su Community Counseling Center	109
15	Sears Roebuck	104
16	Matanuska Electric Association	100
17	New Horizons Telecom	98
18	McDonalds	97
19	Wolverine Supply Inc.	93
20	Alaska Dep't of Health & Social Services	92
21	McKinley Princess	92
22	Bailey's Furniture	90
23	City of Wasilla	80
24	Tony Chevrolet	80
25	GCI Communications	79
26	Spenard Builders Supply	74
27	Talkeetna Lodge	70
28	Alaska Department of Natural Services	69
29	Fishers Fuel	64
30	K&G Enterprises	64
31	City of Palmer	57
32	Palmer Senior Citizens Center	56
33	Alaska Department of Public Safety	55
34	Homesteaders Lumber and Hardware	54
35	Valley Hotel	52
36	The Alaska Club	50
37	Meca Employment Connection	47
38	John Richard Carr Corporation	42
39	A&W Windbreak	41
40	Alaska Family Resource Center	41
41	Hope Community Services	40
42	Denali Foods (Taco Bell)	40
43	Mat-Su Recovery Center	39
44	Arctic Structures	38
45	Alaska Manufacturing	38
46	Post Office	38
47	Matanuska Valley Federal Credit Union	37
48	Subway	35
49	D&A Shoprite	34
50	Builders Bargains	34

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

and 1.4 percent for Anchorage. In 2001, the Valley's population stood at 62,426. That is nearly 22,800 more people than it had in 1990. Only Anchorage, Fairbanks, the Kenai Peninsula and Juneau are home to more people than just this increase. This robust growth in the Valley puts it in a separate league. The borough's population in 2001 represented 19 percent of the Mat-Su/ Anchorage region, compared to 9 percent in 1980 and 14 percent in 1990.

Over the past decade, while the Valley has attracted thousands of new residents, the state has experienced net out-migration (more people moving out than moving in). It is no wonder the Valley has been attracting so much attention over the past five years.

What is surprising is that this strong population growth was not limited to communities within commuting distance of Anchorage. Places like Talkeetna and others beyond commuting range have also experienced very strong growth.

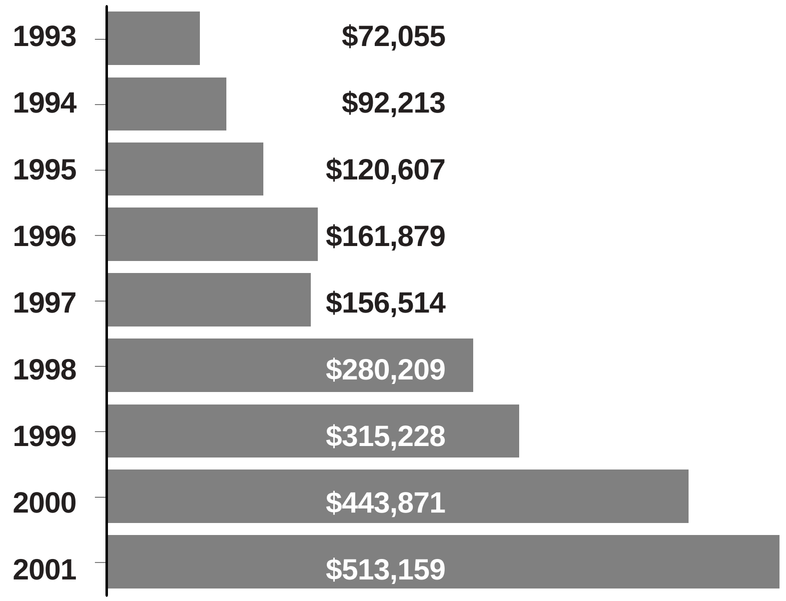
Interesting demographics in the Valley

Once every ten years, Alaska and every state and community in the nation are presented with a thorough statistical portrait in the form of the decennial census. The Census Bureau has been releasing results from the 2000 Census for the past year and will continue to do so for the next couple of years. Because this same information is produced for every community and state in the nation, comparisons are easily made. Most of the information can also be compared to previous decades. Exhibits 16 and 17 list some of the more interesting demographic data for the entire borough and the 28 identified places within its boundaries. Exhibit 18 is a map. More detail can be found on the websites of the Department of Labor and Workforce Development and the U.S. Census Bureau.

The median age for the Valley population was 34.1 in 2000, which is almost two full years older than the state's median and 3.3 years older than the Valley's in 1990. Like the rest of the state, the Valley is aging. The age breakdown of its population is not very different from that of the state, and neither is the ratio of men to women. Its population is considerably less diverse than the state's—88 percent white versus 69 percent statewide. There are more family households in the Valley (two or more people related by blood or marriage) than there are statewide, and those households are considerably bigger. Average family size in the Valley was 3.3, identical with the statewide average. There are also more married couple families. Educational levels at the college level are lower in the Valley and have not changed significantly from 1990. Household income was $51,221, not very different from the statewide average, but eight percent below Anchorage's median household income.

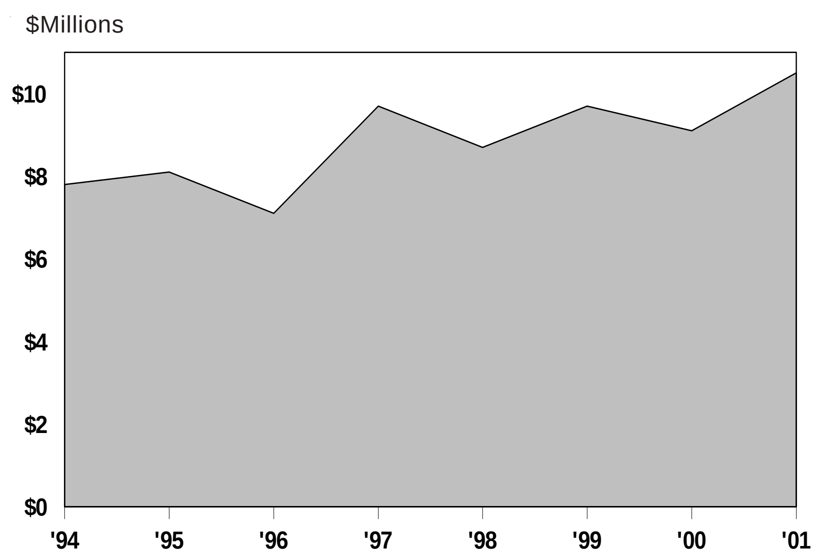
When the demographics for the 28 identified places in the Valley are compared, the differences can often be quite dramatic. Due to small sample sizes, some caution should be used in interpreting this data. For instance, the detailed data for Petersville, with a population of 27, should be treated carefully. With the exception of the three incorporated communities, the boundaries of the other 25 places are fluid from one decennial census to another, which makes comparisons with previous decades difficult. Even with these shortcomings, the data do shed light on the different places in the borough in a microscopic way. For example, the City of Palmer has the youngest median age at 28.8 compared to 47 for Lake Louise. Despite the relative youth of Palmer's population, 9 percent is over 65, compared with 6 percent for the borough and the state. A more established population and a Pioneer Home may help explain the size of Palmer's over 65 population. The Farm Loop area has one of the highest concentrations of college graduates and the Gateway area has the highest median household income. At 65 minutes, workers from Glacier View spend the most time commuting to work, and at 5 minutes, Skwentna's residents the

Hotel Business Soars 14
Mat-Su Borough bed tax receipts



Source: Matanuska-Susitna Borough

Agricultural Production Value 15
Has grown in Mat-Su Valley



Source: U.S. Department of Agriculture

least! The place identified as Y, which is south of Talkeetna and north of Willow, is the only place in the United States that is recognized by one letter.

The future

If we assume that Southcentral's economy will continue to grow, there is little doubt the Mat-Su Valley will keep on capturing a disproportionate share of this action, whether it be population, employment, payroll, or whatever the economic measure might be. With its cost advantages, land availability, and investments in basic infrastructure, there is little doubt this trend will accelerate. If a Knik Arm Crossing were to become a reality it would happen that much sooner. Growth could so fill in the intervening space, that sometime in the not so distant future, it may not be apparent to the casual visitor that the Mat-Su Valley and Anchorage are two separate entities.

16 A Statistical Snapshot Of the Mat-Su Borough

Current Statistics	**Alaska**	**Mat-Su Borough**
Population (2001)	634,892	62,426
Mat-Su's population is a bit older (2000)		
Median age	32.4	34.1
less racially diverse (2000)		
White	69.3%	87.6%
Native American	15.6%	5.5%
Black	3.5%	0.7%
Asian	4.0%	0.7%
Native Hawaiian and other Pacific Islander	5.0%	0.1%
Other	1.6%	0.9%
Two or more races	5.4%	4.6%
Hispanic	4.1%	2.5%
more children (2000)		
Under 5	7.6%	7.0%
5-19	25.6%	28.0%
20-34	20.7%	16.4%
35-54	33.3%	35.4%
55-64	7.2%	7.4%
Percent 65 years & over	5.7%	5.9%
Percent female population (2000)		
Percent female	48.3%	48.0%
Type of households(2000)		
Average family size	3.3	3.3
Family households	68.7%	73.2%
Married couple family	52.5%	58.9%
Divorced	11.7%	11.8%
Female householder, no husband present	10.8%	9.1%
Householder living alone	23.5%	20.3%
Born In Alaska	38.1%	33.8%
More are unemployed (2001)		
Percent unemployed	6.3%	7.7%
Labor force participation	71.3%	66.1%
Income and wages are lower		
Household income (2000)	$51,571	$51,221
Annual average wage and salary (2001)	$35,736	$28,248
Poverty Status of Individuals (1999)	9.4%	11.0%
With Public Assistance Income	8.7%	8.9%
Educational Attainment (2000) (population 25 years and over)		
Less than 9th grade	4.1%	3.0%
9th to 12th grade no diploma	7.5%	8.9%
High school graduate	27.9%	31.3%
Some college, no degree	28.6%	29.7%
Associate degree	7.2%	8.9%
Bachelor's degree	16.1%	12.4%
Graduate or professional degree	8.6%	5.8%
Percent Veterans	17.1%	19.4%
Housing characteristics very different (2000)		
Average household size	2.9	2.8
Vacant housing units	15.1%	3.3%
Seasonal or recreational housing	8.2%	19.2%

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section and U.S. Census Bureau

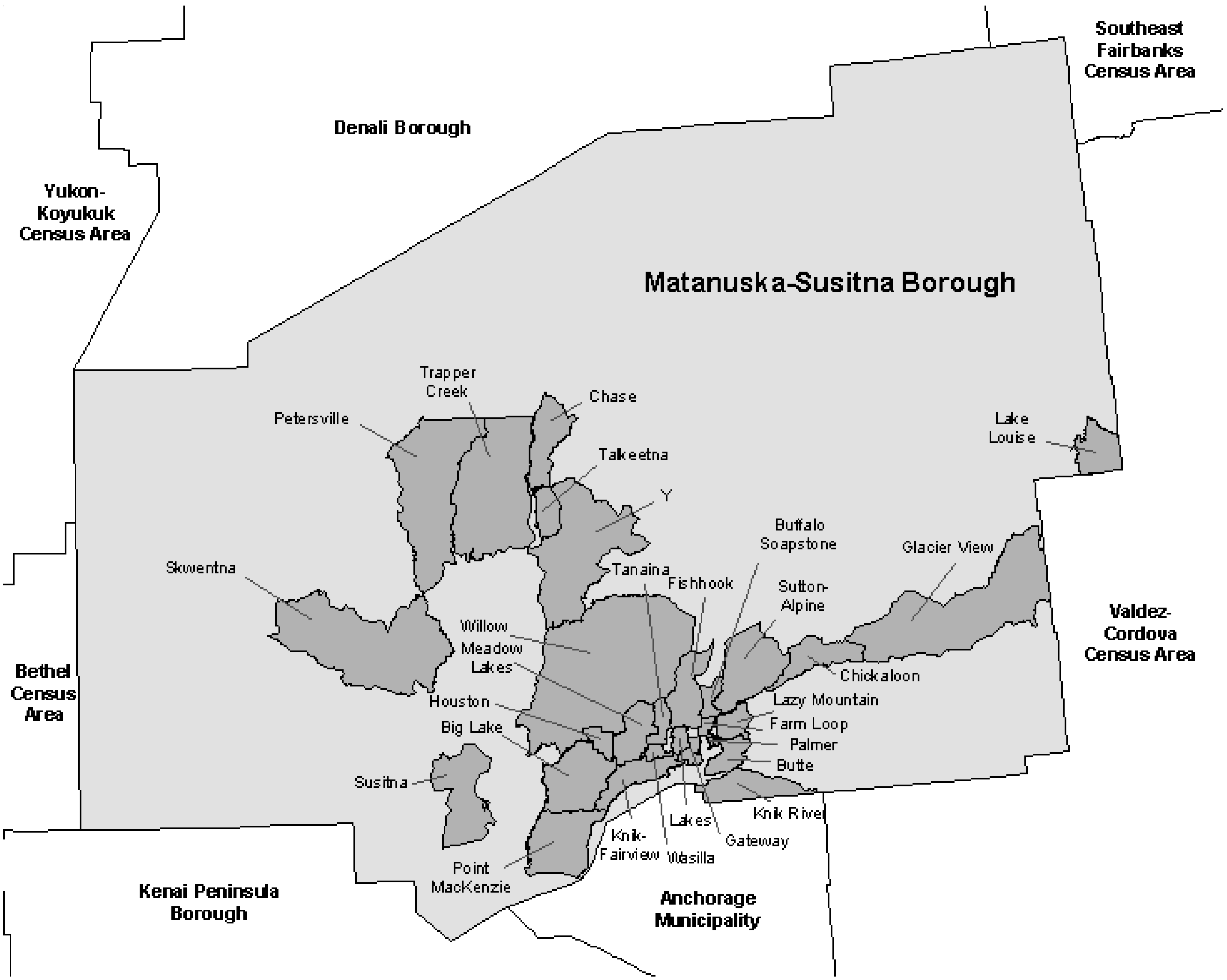
Demographic Characteristics of Communities
In the Mat-Su Borough – 2000

17

	Population	Median Age	Percent 65 & +	Percent Family Households	Percent Own Homes	Average Household Size	Percent College Graduate	Percent Lived in Same House in 1995	Unem-ploy-ment Rate	Commute Time (minutes)	House-hold Income	Percent Living In Poverty	Median Value of Homes
Mat-Su Borough	59,322	34.1	5.9	73.2	78.9	2.91	18.3	49.4	10.3	40.7	$51,221	11.0	$125,800
Alaska		32.4	5.7	68.7	62.5	2.74	24.7	46.2	9.0	19.6	$51,571	9.4	$144,200
Big Lake	2,635	37.9	7.4	66.7	84.7	2.63	16.7	54.9	8.3	43.6	$43,392	14.6	$108,100
Buffalo Soapstone	699	33.4	2.9	73.8	83.7	3.00	11.6	59.8	7.3	27.4	$41,250	22.2	$106,700
Butte	2,561	36.2	7.3	76.0	82.2	2.89	14.9	56.7	8.9	41.2	$55,573	9.8	$126,500
Chase	41	47.2	9.8	47.6	90.5	1.95	100	100	——-		$16,250	——-	——-
Chickaloon	213	43.8	6.6	66.7	82.8	2.45	9.2	48.9	24.2	56.3	$49,792	2.8	$ 99,200
Farm Loop	1,067	33.7	5.0	80.5	82.3	3.19	32.8	62.3	2.7	33.1	$55,234	7.2	$124,600
Fish Hook	2,030	33.2	3.7	76.8	85.4	3.04	26.3	48.3	6.5	44.4	$55,179	8.5	$ 55,179
Gateway	2,952	33.3	5.1	79.7	90.5	3.01	24.0	47.2	7.4	52.2	$60,385	7.2	$157,300
Glacier View	249	42.9	11.2	59.6	82.7	2.39	12.4	80.6	——-	65.0	$36,429	4.0	$ 68,100
Houston	1,202	34.1	6.2	65.8	80.0	2.70	9.6	56.2	17.7	46.1	$39,615	17.1	$ 91,400
Knik-Fairview	7,049	33.2	4.5	76.4	84.0	2.97	15.5	48.0	13.5	43.5	$52,113	11.1	$127,800
Knik River	582	36.2	4.3	68.5	85.6	2.69	21.3	42.0	21.1	49.7	$55,000	15.3	$121,600
Lake Louise	88	47.0	8.0	61.0	87.8	2.15	43.3	80.0	41.7	12.1	——-	56.7	$ 77,500
Lakes	6,706	34.8	4.8	80.1	84.8	3.00	24.6	49.4	7.0	47.0	$63,250	6.9	$137,700
Lazy Mountain	1,158	36.4	6.6	74.1	82.2	2.92	25.5	51.2	10.9	35.9	$46,500	7.8	$106,900
Meadow Lakes	4,819	32.7	4.9	71.4	81.3	2.93	14.3	52.6	9.7	46.3	$41,030	17.1	$105,300
Palmer	4,533	28.8	9.1	71.9	64.5	2.81	14.5	38.1	10.8	39.3	$45,571	12.7	$102,600
Petersville	27	51.5	14.8	41.2	100.0	1.59	100	50.0	50.0	10.0	$43,750	——-	——-
Point Mackenzie	111	38.3	7.2	69.2	69.2	2.85	11.9	46.7	——-	28.6	$23,250	22.7	$ 22,500
Skwentna	111	44.6	6.3	58.0	84.0	2.22	36.3	64.1	——-	5.3	$16,250	5.8	$162,500
Susitna	37	44.5	21.6	36.8	78.9	1.95	9.1	83.9	——-	20.0	$22,500	16.1	$187,500
Sutton-Alpine	1,080	37.0	5.2	64.7	79.0	2.53	9.6	52.7	7.4	52.7	$35,652	11.3	$ 69,200
Talkeetna	772	39.0	6.1	50.6	73.5	2.16	31.2	45.9	14.4	15.5	$38,289	10.8	$ 88,000
Tanaina	4,933	31.5	3.1	78.7	86.0	3.10	18.4	47.5	9.3	37.2	$64,491	7.5	$125,400
Trapper Creek	423	44.1	9.5	68.1	85.2	2.32	15.4	69.6	8.1	29.9	$27,031	24.7	$ 47,500
Wasilla	5,469	29.7	6.7	68.8	55.8	2.76	12.7	35.9	11.2	34.4	$48,226	9.6	$137,700
Willow	1,658	40.1	9.6	67.0	87.2	2.54	17.9	71.0	11.7	52.3	$38,906	22.1	$117,900
Y	956	40.8	8.5	61.4	85.0	2.32	15.1	54.2	24.3	26.9	$31,948	17.4	$ 58,900

Source: U.S. Bureau of the Census

18 Map of Mat-Su Borough Communities



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

Hiring Patterns in 2001

by Jill Lewis
and Rob Kreiger
Labor Economists

Data shed light on new hire activity

Patterns of past hiring activity indicate where hiring opportunities might exist in the future. By looking at these patterns, employment specialists gain insight into Alaska's job market. Training providers use the information to target occupations likely to have high demand. Hiring patterns may also be of interest to job seekers—whether they are entering the labor market, or already employed but looking for a change. This article identifies industries, occupations, and employers which had significant hiring activity in 2001.

One in five positions is a new hire

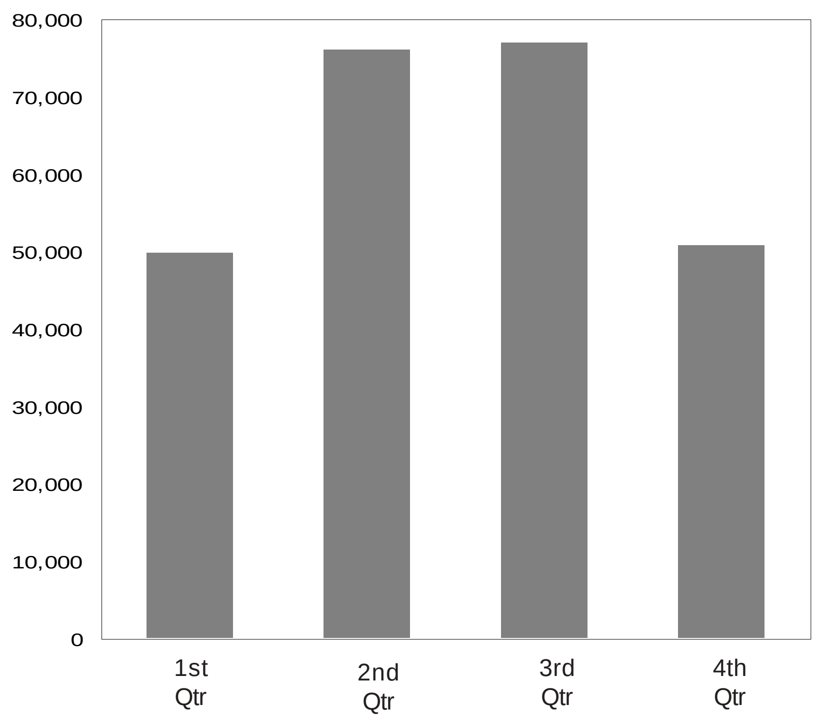
In 2001, employers hired more than 250,000 new workers. These new hires represented about 19 percent of workers covered by Alaska's Unemployment Insurance (UI) program. Hiring activity in 2001 is about on par with prior years. The hiring rate has fluctuated little over the past 10 years, from 18.6 percent to 19.8 percent.

UI-covered workers who did not work for their employer in any of the previous four quarters are "new hires." The four quarter time lapse is used to exclude those employees returning to seasonal jobs with the same employer. Absent from the analysis are federal, self-employed, or other workers (such as most offshore seafood processors), who are not covered by Alaska's UI program.

Hiring patterns in 2001 were typical

For the last ten years, the transition from winter to spring has marked the beginning of the peak hiring season. The typical seasonal pattern is for hiring traffic to be strongest in the second and third quarters, when tourism and seafood processing are at their peaks. In keeping with this pattern, new hires nearly doubled from the first to the second quarter in 2001, jumping from 49,939 to 76,209. Hiring continued to increase in the third quarter, leveling off at 77,119. Fourth quarter hiring slowed to 50,913 as the busy summer construction and travel seasons came to a close. (See Exhibit 1.)

New Hires by Quarter 1
2001



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

The pace of hiring was brisk at the start of 2001, then slowed somewhat through the remainder of the year. The Interior and Northern regions were mainly responsible for the strong showing in the first quarter. The only region to show improvement from the prior year was the Interior, where hiring was better than 2000 levels in all four quarters. In Anchorage, hiring was largely unchanged from the previous year. Areas associated with seafood harvesting were down significantly.

Some workers were hired multiple times

Some hires involved workers newly hired by more than one employer. Workers with multiple employers are included in this analysis more than once; this means the same worker can be counted as a new hire for more than one employer during a quarter. However, each worker-employer relationship is counted only once during the year.

2 2001 New Hires
By number of employers

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

At the individual worker level, 178,454 persons were newly hired in 2001. As shown in Exhibit 2, the vast majority, about 72 percent of these new workers, were hired by only one employer. Another 19 percent were hired by two employers. The remaining nine percent—those hired by more than two employers—accounted for 23 percent of total hiring activity.

Bristol Bay Borough had highest new hire rate

The highest concentration of new hires in 2001 was in Bristol Bay Borough (32 percent of all workers). (See Exhibit 3.) Hiring activity (mostly in seafood processing) was strong in second and third quarters. Denali Borough, with its tourism-based economy, had the second highest new hire rate (30 percent). Hotels and lodging places accounted for the bulk of hiring activity. More than half of Denali's workers were new hires in second quarter (58 percent). Conversely, Denali's new hire rate plummeted to seven percent in fourth quarter after the tourism season ended.

Exhibit 4 shows the number of new hires by area. Anchorage/Mat-Su, Interior, Gulf Coast, and Southeast regions followed typical seasonal patterns with hires peaking in the second quarter. Due to the strong influence of the seafood industry in the region, Southwest's peak hiring season coincided with peak salmon runs in the third quarter. The Southwest region also had elevated hiring in first quarter due to a robust winter fishery.

Retail Trade and Services accounted for most new hires

Retail Trade accounted for 27 percent of new hire activity in 2001. The Services industry was a close second with 24 percent. Construction and Public Administration had significant proportions of new hires with 10 percent each. The Mining (except Oil and Gas) and the Agriculture/Forestry/Fishing sectors were at the other end of the scale with 0.4 percent and one percent, respectively. (See Exhibit 5.)

For the most part, the peak hiring season for individual industries followed the statewide pattern. An exception was Oil and Gas Extraction, the only industry to peak in the first quarter. This is typical for the industry because exploration activities are easier to carry out during winter months when the ground is frozen. Seafood processing also had a strong first quarter showing due to the winter fishery in western Alaska.

Construction Trades led the pack

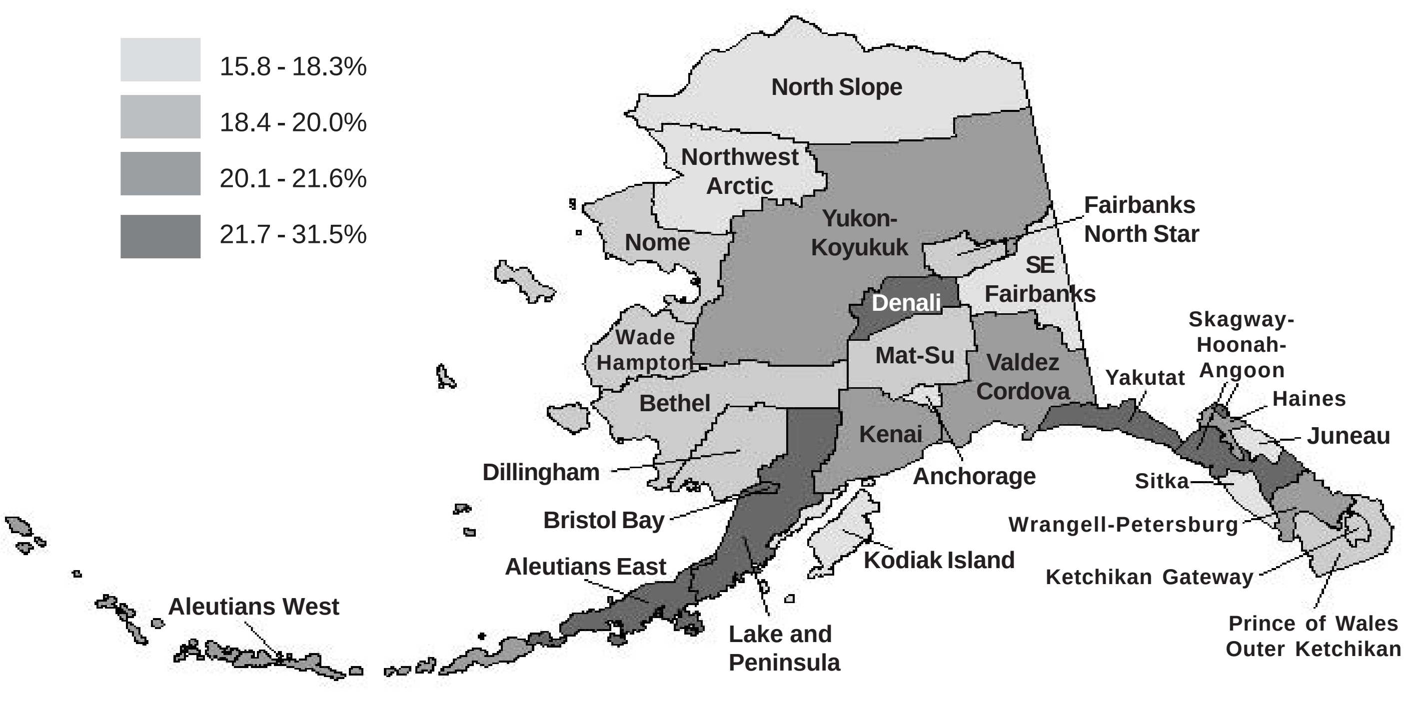
Exhibit 6 shows new hires by occupation groups. Shading indicates the peak hiring quarter. Peak hiring for most occupation groups occurred during the second quarter as employers ramped up for the busy summer season. The top ten occupations account for half of all hiring. Nearly 24,000 Construction Trades workers were hired in 2001, more than in any other occupation group. In second place, Retail Sales Workers accounted for more than 20,341 new hires, while Food and Beverage Serving Workers followed closely with 18,769.

Employers sometimes fail to supply the employee's occupation when filing quarterly unemployment insurance tax reports, the source of the new hire data. Employers did not submit occupations for about one in ten new hires in 2001. More than 3,500 of these employees worked in seafood processing; therefore, the 9,904 new hires reported for Food Processing Workers is a conservative estimate. Likewise, the Services, Retail Trade, Public Administration, and Transportation/Communications/Utilities industries also had significant numbers of new hires without occupational classifications.

Top employers of new hires

Knowing the what (occupation), where (area), and when (peak quarter) of hiring patterns is only part of the puzzle—the final piece is knowing *who* is doing the hiring. Exhibit 7 shows Alaska

New Hires 3
As percent of total workers - 2001



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

4 New Hires by Region
2001

Region	Total New Hires	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total New hires	**254,180**	**49,939**	**76,209**	**77,119**	**50,913**
Northern	**14,313**	**3,909**	**3,649**	**3,940**	**2,815**
Nome Census Area	3,584	631	827	1,225	901
North Slope Borough	7,964	2,725	1,990	1,924	1,325
Northwest Arctic Borough	2,765	553	832	791	589
Interior	**34,674**	**6,155**	**11,704**	**10,293**	**6,522**
Denali Census Area	2,496	183	1,496	701	116
Fairbanks Borough	27,933	5,275	8,999	8,012	5,647
Southeast Fairbanks Census Area	1,239	170	378	451	240
Yukon - Koyukuk Census Area	3,006	527	831	1,129	519
Southwest	**20,375**	**4,926**	**4,736**	**7,241**	**3,472**
Aleutians East Borough	3,006	1,106	562	1,076	262
Aleutians West Census Area	3,756	1,639	490	1,180	447
Bethel Census Area	6,291	1,196	1,483	2,089	1,523
Bristol Bay Borough	1,893	71	788	891	143
Dillingham Census Area	1,953	351	441	813	348
Lake and Peninsula Borough	1,195	103	402	480	210
Wade Hampton Census Area	2,281	460	570	712	539
Anchorage	**122,608**	**23,980**	**35,630**	**35,263**	**27,735**
Anchorage Borough	109,414	21,881	31,589	30,988	24,956
Matanuska - Susitna Borough	13,194	2,099	4,041	4,275	2,779
Gulf Coast	**28,514**	**4,519**	**9,770**	**9,679**	**4,546**
Kenai Peninsula Borough	18,185	2,698	6,475	6,149	2,863
Kodiak Island Borough	4,770	1,092	1,270	1,449	959
Valdez - Cordova Census Area	5,559	729	2,025	2,081	724
Southeast	**30,551**	**5,596**	**10,095**	**9,552**	**5,308**
Haines Borough	961	81	372	422	86
Juneau Borough	11,822	2,381	3,798	2,988	2,655
Ketchikan Borough	6,884	1,246	2,192	2,529	917
Prince of Wales - Outer Ketchikan CA	1,966	348	738	538	342
Sitka Borough	3,452	623	1,141	1,052	636
Skagway - Hoonah - Angoon CA	1,869	185	962	527	195
Wrangell - Petersburg Census Area	3,045	629	711	1,314	391
Yakutat Borough	552	103	181	182	86
Statewide Total	**251,035**	**49,085**	**75,584**	**75,968**	**50,398**
Outside Alaska	3,105	853	611	1,129	512
Other	13	0	11	0	2
Unknown	27	1	3	22	1

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

new hires by employer for the top 50 employers of 2001, ranked by annual number of new hires. Of the more than 16,000 employers covered by UI, the top 50 accounted for 19 percent of all new hires. The State of Alaska led all employers with 3,150 hires. Other top employers of new hires in the Public Administration sector included the University of Alaska with 2,702, Anchorage School District with 1,831, and Fairbanks North Star School District with 1,012 hires.

Three of the top five employers were in Retail Trade. Kmart Corporation was ranked second in new hires for 2001 (2,761). In the same sector was fourth place Safeway with 2,423, fifth place Fred Meyer with 2,110, and sixth place Wal-Mart with 2,032.

After Public Administration and Retail Trade, most of the top employers were in the Seafood Processing and Services industries. Examples of top employers in Seafood Processing were Trident Seafoods (1,838 new hires), ranking number seven, and Icicle Seafoods (1,050), placing twelfth. In the Services sector the top employer was ninth ranked Labor Ready Northwest, an employment agency, with 1,254 new hires. Providence Hospital placed tenth overall with 1,171 hires.

Some other top 50 employers in other sectors included VECO Alaska, Peak Oilfield Services, Alaska Petroleum Contractors (all in Oil and Gas Extraction), Osborne Construction, and First Student Services (operators of a school bus company).

The Alaska new hire data series helps employment specialists and job seekers identify likely employment opportunities in their area. More information expanding on the topics discussed here can be found on Research and Analysis' website under the Employment & Unemployment section (http://almis.labor.state.ak.us). For example, there are tables for each area of the state detailing hiring activity by occupation, as well as listings of top employers by census area. New hire data does not include current job openings. These can be found at an Alaska Job Center or the Alaska Job Bank at http://www.jobs.state.ak.us/akjb/

New Hires by Industry 5

2001

Industry	Total New Hires	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total New hires	254,180	49,939	76,209	77,119	50,913
Agriculture/Forestry/Fish	2,554	332	1,156	734	332
Mining, except Oil and Gas	903	142	353	277	131
Oil and Gas Extraction	5,965	1,984	1,875	1,270	836
Construction	26,834	4,403	8,621	9,044	4,766
Manufacturing, except Seafood Processing	4,083	851	1,342	1,138	752
Seafood Processing	14,357	3,421	3,208	7,037	691
Transportation/Communications/Utilities, Other [1]	13,297	2,823	3,962	3,853	2,659
Tourism Related Transportation	5,156	640	2,704	1,373	439
Wholesale Trade	7,106	1,310	2,331	2,221	1,244
Retail Trade	67,268	12,255	20,214	19,644	15,155
Finance, Insurance, Real Estate	7,842	1,539	2,220	2,372	1,711
Services, except Hotels and Lodging	60,730	13,343	16,689	16,394	14,304
Hotels and Lodging	11,202	1,469	4,873	3,523	1,337
Public Administration [2]	26,544	5,357	6,571	8,141	6,475
Unknown	339	70	90	98	81

[1] Other Trans/Comm/Util includes passenger and freight transportation, communications services, and electricity, gas, steam, water, or sanitary services. It does not include tourism-related transportation.
[2] Includes all state or local government and other publicly owned institutions.

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

6 Top 50 Occupations of New Hires, 2001
With peak hiring quarter shaded

Occupation Group	Total New Hires	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Total New Hires	254,180	49,939	76,209	77,119	50,913
Construction Trades Workers	23,989	3,685	7,579	8,312	4,413
Retail Sales Workers	20,341	3,569	6,599	6,057	4,116
Food and Beverage Serving Workers	18,769	3,598	5,664	5,537	3,970
Material Moving Workers	13,414	2,654	4,289	4,099	2,372
Other Office and Administrative Support Workers	10,277	2,515	2,910	2,726	2,126
Food Processing Workers	9,904	2,177	2,421	4,780	526
Building Cleaning and Pest Control Workers	9,105	1,829	2,955	2,619	1,702
Information and Record Clerks	8,782	1,910	2,640	2,359	1,873
Cooks and Food Preparation Workers	7,226	1,292	2,483	2,050	1,401
Other Food Preparation and Serving Related Workers	6,924	1,148	2,080	2,228	1,468
Motor Vehicle Operators	5,486	1,262	1,634	1,498	1,092
Other Personal Care and Service Workers	5,482	1,057	1,420	1,550	1,455
Other Installation, Maintenance, and Repair Occupations	4,962	1,033	1,605	1,435	889
Material Recording, Scheduling, Dispatching, and Distributing	3,890	918	1,111	974	887
Other Sales and Related Workers	3,650	466	843	1,091	1,250
Secretaries and Administrative Assistants	3,335	836	911	886	702
Other Education, Training, and Library Occupations	3,320	734	593	785	1,208
Financial Clerks	3,311	772	894	911	734
Vehicle and Mobile Equipment Mechanics, Installers, Repairers	3,102	697	926	781	698
Other Construction and Related Workers	2,847	559	879	856	553
Health Diagnosing and Treating Practitioners	2,563	577	674	761	551
Specialists, Counselors, Social Workers, other Community Svc.	2,327	571	573	610	573
Other Teachers and Instructors	2,220	468	433	634	685
Helpers, Construction Trades	2,194	381	689	723	401
Transportation, Tourism, and Lodging Attendants	2,153	131	1,219	673	130
Other Healthcare Support Occupations	2,112	476	535	523	578
Other Management Occupations	2,085	498	536	614	437
Entertainment Attendants and Related Workers	2,077	370	528	500	679
Other Protective Service Workers	2,033	367	491	588	587
Other Production Occupations	2,018	338	673	782	225
Extraction Workers	1,792	526	542	467	257
Health Technologists and Technicians	1,751	410	474	439	428
Grounds Maintenance Workers	1,728	119	917	529	163
Other Transportation Workers	1,645	265	489	561	330
Agricultural Workers	1,578	353	640	468	117
Nursing, Psychiatric, and Home Health Aides	1,517	332	331	342	512
Teachers, Primary, Secondary, and Special Education	1,322	205	134	716	267
Top Executives	1,299	317	328	347	307
Water Transportation Workers	1,282	160	528	404	190
Sales Representatives, Services	1,234	312	365	328	229
Air Transportation Workers	1,146	269	382	230	265
Metal Workers and Plastic Workers	1,109	277	354	279	199
Business Operations Specialists	1,055	289	263	246	257
Financial Specialists	1,025	224	295	236	270
Entertainers and Performers, Sports and Related Workers	960	225	272	222	241
Drafters, Engineering, and Mapping Technicians	851	151	307	264	129
Fishing and Hunting Workers	828	125	234	365	104
Computer Specialists	816	269	194	176	177
Engineers	812	223	273	178	138
Operations Specialties Managers	695	194	170	176	155

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

Top 50 Employers of New Hires
2001

Rank	Employer Name	Industry	Total New Hires	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1	State of Alaska	Public Admin. [2]	3,150	690	921	883	656
2	Kmart Corp	Retail Trade	2,761	217	371	997	1,176
3	University of Alaska	Public Admin [2]	2,702	487	810	898	507
4	Safeway Inc	Retail Trade	2,423	463	743	750	467
5	Fred Meyer Shopping Centers	Retail Trade	2,110	326	736	567	481
6	Wal-Mart Associates Inc	Retail Trade	2,032	402	517	593	520
7	Trident Seafoods Corporation	Seafood Processing	1,838	737	315	734	52
8	Anchorage School District	Public Admin. [2]	1,831	404	291	518	618
9	Labor Ready Northwest Inc	Services, except Lodging	1,254	283	405	362	204
10	Providence Hospital Payroll	Services, except Lodging	1,171	317	333	297	224
11	Nana/Marriott Joint Venture	Retail Trade	1,059	239	348	291	181
12	Icicle Seafoods Inc	Seafood Processing	1,050	272	169	592	17
13	VECO Alaska Inc	Oil & Gas Extraction	1,027	358	401	171	97
14	Fairbanks North Star School District	Public Admin. [2]	1,012	284	130	284	314
15	Wards Cove Packing Co Inc	Seafood Processing	866	32	100	717	17
16	Alaska Commercial Co	Retail Trade	850	165	194	267	224
17	Norquest Seafood's Inc	Seafood Processing	845	126	240	440	39
18	Alaska Hotel Properties LLC	Services, except Lodging	820	49	505	223	43
19	Denali Foods Inc	Retail Trade	818	133	204	263	218
20	Unisea Inc	Seafood Processing	816	494	10	277	35
21	Aramark Services Inc	Retail Trade	806	30	472	267	37
22	McDonald's Restaurants of Alaska	Retail Trade	776	198	161	257	160
23	Restaurants Northwest Inc	Retail Trade	766	153	192	214	207
24	Lokan & Associates Inc	Services, except Lodging	756	156	187	221	192
25	Chugach North Technical Services	Services, except Lodging	746	364	142	124	116
26	Pizza Hut	Retail Trade	733	128	154	223	228
27	The Alaska Club	Services, except Lodging	717	213	175	173	156
28	Sears Roebuck and Co	Retail Trade	699	71	160	212	256
29	Peter Pan Seafoods Inc	Seafood Processing	653	177	191	279	6
30	North Pacific Processors Inc	Seafood Processing	636	45	228	353	10
31	Interior Alaska McDonald's	Retail Trade	629	131	239	123	136
32	Peak Oilfield Service Co	Oil & Gas Extraction	624	175	145	164	140
33	Westmark Hotels Inc	Services, except Lodging	621	83	333	167	38
34	Yukon Kuskokwim Health Corp	Services, except Lodging	620	127	155	167	171
35	First Student Services LLC	Other Trans/Comm/Util [1]	601	0	11	493	97
36	Alaska Petroleum Contractors Inc	Oil & Gas Extraction	600	90	257	118	135
36	Municipality Of Anchorage	Public Admin. [2]	600	102	161	240	97
38	Williams WPC-I Inc	Retail Trade	593	104	148	194	147
39	Mat-Su Borough Schools	Public Admin. [2]	591	131	106	140	214
40	Lower Kuskokwim School District	Public Admin. [2]	581	129	112	148	192
41	Westward Seafood Inc	Seafood Processing	550	290	5	238	17
42	Cook Inlet Processing	Seafood Processing	541	104	110	324	3
43	Ocean Beauty Seafoods Inc	Seafood Processing	526	42	196	278	10
43	Subway of Alaska Inc	Retail Trade	526	107	150	148	121
45	Osborne Construction	Construction	519	63	147	237	72
46	Adams & Associates Inc	Services, except Lodging	516	94	157	145	120
46	Kenai Peninsula Borough School Dist.	Public Admin. [2]	516	117	89	141	169
48	Doyon/Universal Services	Retail Trade	503	159	79	94	171
49	Zan Inc	Retail Trade	500	96	119	167	118
50	Border Entertainment LLC	Services, except Lodging	499	132	97	153	117

[1] Other Trans/Comm/Util includes passenger and freight transportation, communications services, and electricity, gas, steam, water, or sanitary services. It does not include tourism-related transportation.

[2] Includes all state or local government and other publicly owned institutions.

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

October Shows Seasonal Cooling

Alaska ranks high nationally in two measures of median income

Alaska Employment Scene

by Brigitta Windisch-Cole
Labor Economist

With fall in the air, Alaska's employment climate was cooling off in typical seasonal fashion. October employment dropped 11,200 jobs from the previous month. (See Exhibit 2.) The job shedding was broadly based and related to the winding down of seasonal industries such as seafood and tourism. Construction remained relatively strong due to good weather and a number of large, ongoing projects.

The October employment report posted job growth over last year's performance, continuing a trend that has prevailed throughout 2002. The gain netted 4,200 new wage and salary jobs, producing a statewide growth rate of 1.4 percent. (See Exhibit 2.) This relatively small growth rate, however, is elevating Alaska into the ranks of the top national labor market performers.

In September 2002, Alaska ranked second nationally in job growth with 1.1 percent, bested only by Nevada with 1.4 percent. These slim growth rates confirm that the national economy has not yet made a full recovery. Only fourteen states reported employment growth over September 2001. The remaining states are still struggling to regain employment levels they enjoyed a year ago, and large layoffs are still looming in many areas.

What makes Alaska relatively stable?

Alaska's isolation from national economic events may have been an advantage this past year. The turmoil in communications, utilities, transportation and financial industries on the national front only marginally affected a few Alaska industry players. No sudden large scale industry layoffs took place, because Alaska has few high-tech and manufacturing industry employers. One effect of the downturn of financial markets was postponed when Alaska's Permanent Fund paid the fifth highest dividend ever in 2002. This amount could be significantly lower in future years.

Permanent Fund dividend checks also helped Alaska to attain high national rankings in median 2001 household and family income. The U.S. Census Bureau's American Community Survey ranked Alaska third among the states in household income and sixth in family income. (See Exhibit 1.)

The strongholds

October's industry employment balances showed services, government, construction, trade, and finance to be growth sectors. Among services, health care remained the stellar performer, and it seems likely to continue in this role. In the past election, Mat-Su voters agreed to replace the existing Valley Hospital. A new $75 million facility twice the size of the current one may be built. Residents of Valdez also voted to construct a $19 million new hospital. Providence Health System, Alaska's largest private sector industry employer, may possibly manage the new facility in Valdez.

This fall, government employment got its biggest boost from Alaska's university system. Construction remained on firm ground, showing a robust gain of 800 jobs over October 2001. In many areas of the state weather permitted continued strong activity. The trade sector reported a 900-job increase over its year-ago employment level, with new retail stores and the opening of several new restaurants spurring the gain. Alaska's financial sector benefited in part from construction/remodel projects and maintenance programs in public housing in rural Alaska. Most of the gain, (up 200 jobs from last year's level) in the finance sector can be attributed to increased staff levels at local housing authorities.

Soft spots

Employment losses in natural resource industries have continued. Lately, Alaska's oil industry absorbed most of the losses. October saw 900 fewer oil jobs than a year ago. The slump in the development of new oil-related projects is largely to blame. Unocal is cutting approximately 60 jobs in Kenai, and the company will idle two of its platforms in Cook Inlet. On the positive side, some oil-related development will occur on the Kenai Peninsula. A 33-mile-long gas pipeline costing $25 million will be constructed between Kenai and Ninilchik this winter.

Job losses in timber have plagued Alaska's economy for years and no turnaround is in sight. Timber markets remain depressed. Employment this October was down another 25 percent from last year's depressed level.

(continued on page 26)

Alaska Ranks High Among States 1
In two measures of median income

	Median Household Income	Rank	Median Family Income	Rank
United States	$42,317		$50,844	
Connecticut	$56,390	1	$68,084	1
New Jersey	$56,231	2	$67,225	2
Alaska	**$55,938**	**3**	**$62,013**	**6**
Maryland	$53,756	4	$64,542	4
New Hamshire	$52,479	5	$62,299	5
Massachusetts	$52,477	6	$65,391	3
Hawaii	$49,960	7	$58,366	8
Minnesota	$49,834	8	$59,401	7
Delaware	$49,134	9	$56,974	10
Virginia	$48,603	10	$57,256	9
California	$48,139	11	$54,298	15
Colorado	$47,481	12	$56,017	13
Illinois	$46,204	13	$56,053	12
Utah	$45,987	14	$51,884	19
Washington	$45,816	15	$56,086	11
Michigan	$44,517	16	$53,880	16
New York	$44,020	17	$52,454	17
Nevada	$43,842	18	$50,594	22
Wisconsin	$42,980	19	$52,028	18
Rhode Island	$42,784	20	$54,486	14
Georgia	$42,497	21	$49,100	25
Vermont	$42,027	22	$49,906	24
Indiana	$41,715	23	$50,543	23
Dist. of Columbia	$41,189	24	$47,081	33
Pennsylvania	$40,990	25	$50,602	21
Arizona	$40,909	26	$46,896	35
Ohio	$40,884	27	$50,614	20
Oregon	$40,644	28	$48,669	28
Texas	$40,547	29	$46,963	34
Nebraska	$39,880	30	$48,843	26
Iowa	$39,645	31	$48,751	27
Missouri	$39,211	32	$48,166	30
Wyoming	$39,055	33	$48,228	29
Kansas	$38,998	34	$47,758	31
North Carolina	$38,832	35	$46,242	36
South Carolina	$38,714	36	$47,119	32
Florida	$38,048	37	$45,258	39
Maine	$37,359	38	$44,086	40
Idaho	$36,913	39	$42,444	42
South Dakota	$36,722	40	$45,732	38
Tennessee	$36,318	41	$43,595	41
North Dakota	$35,201	42	$46,163	37
New Mexico	$34,243	43	$40,335	48
Alabama	$33,798	44	$41,534	44
Oklahoma	$33,714	45	$41,783	43
Kentucky	$33,672	46	$41,231	45
Louisana	$33,557	47	$40,937	46
Arkansas	$32,942	48	$40,244	49
Montana	$32,764	49	$40,418	47
Mississippi	$32,153	50	$39,520	50
West Virginia	$29,582	51	$37,400	51

Source: U.S. Census Bureau

2 Nonagricultural Wage and Salary Employment
By place of work

Alaska

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	Changes from: 10/01
Total Nonag. Wage & Salary	**296,300**	**307,500**	**292,100**	**-11,200**	**4,200**
Goods-producing	39,800	44,800	40,100	-5,000	-300
Service-producing	256,500	262,700	252,000	-6,200	4,500
Mining	9,900	10,100	10,900	-200	-1,000
Oil & Gas Extraction	8,400	8,500	9,300	-100	-900
Construction	**17,300**	**18,800**	**16,500**	**-1,500**	**800**
Manufacturing	**12,600**	**15,900**	**12,700**	**-3,300**	**-100**
Durable Goods	2,200	2,300	2,500	-100	-300
Lumber & Wood Products	900	900	1,200	0	-300
Nondurable Goods	10,400	13,600	10,200	-3,200	200
Seafood Processing	7,500	10,600	7,300	-3,100	200
Transportation/Comm/Utilities	**27,600**	**29,100**	**28,100**	**-1,500**	**-500**
Trucking & Warehousing	3,200	3,300	3,200	-100	0
Water Transportation	2,000	2,200	2,000	-200	0
Air Transportation	9,700	10,200	9,700	-500	0
Communications	5,500	5,500	5,600	0	-100
Electric, Gas & Sanitary Svcs.	2,700	2,900	2,800	-200	-100
Trade	**59,400**	**61,400**	**58,500**	**-2,000**	**900**
Wholesale Trade	8,200	8,400	8,100	-200	100
Retail Trade	51,200	53,000	50,400	-1,800	800
Gen. Merchandise & Apparel	11,000	10,500	10,900	500	100
Food Stores	6,300	6,400	6,400	-100	-100
Eating & Drinking Places	17,500	19,300	17,300	-1,800	200
Finance/Insurance/Real Estate	**12,900**	**13,000**	**12,700**	**-100**	**200**
Services & Misc.	**75,000**	**78,600**	**72,500**	**-3,600**	**2,500**
Hotels & Lodging Places	6,800	9,000	6,600	-2,200	200
Business Services	9,000	9,000	8,900	0	100
Health Services	19,400	19,300	18,400	100	1,000
Legal Services	1,600	1,600	1,600	0	0
Social Services	9,400	9,400	8,700	0	700
Engineering/Account'g/Research	8,300	8,500	8,200	-200	100
Government	**81,600**	**80,600**	**80,200**	**1,000**	**1,400**
Federal	16,900	17,300	16,700	-400	200
State	24,400	23,900	23,700	500	700
Local	40,300	39,400	39,800	900	500
Tribal	3,300	3,400	3,100	-100	300

Municipality of Anchorage

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	Changes from: 10/01
Total Nonag. Wage & Salary	**142,100**	**143,700**	**139,200**	**-1,600**	**2,900**
Goods-producing	13,700	14,600	13,600	-900	100
Service-producing	128,400	129,100	125,600	-700	2,800
Mining	**2,500**	**2,600**	**2,700**	**-100**	**-200**
Oil & Gas Extraction	2,400	2,500	2,600	-100	-200
Construction	**8,900**	**9,600**	**8,500**	**-700**	**400**
Manufacturing	**2,300**	**2,400**	**2,400**	**-100**	**-100**
Transportation/Comm/Utilities	**15,200**	**15,800**	**15,000**	**-600**	**200**
Air Transportation	6,100	6,200	6,000	-100	100
Communications	3,500	3,500	3,600	0	-100
Trade	**33,600**	**33,300**	**32,900**	**300**	**700**
Wholesale Trade	6,200	6,200	6,100	0	100
Retail Trade	27,400	27,100	26,800	300	600
Gen. Merchandise & Apparel	5,900	5,500	5,700	400	200
Food Stores	2,200	2,200	2,400	0	-200
Eating & Drinking Places	10,200	10,400	10,000	-200	200
Finance/Insurance/Real Estate	**7,600**	**7,600**	**7,600**	**0**	**0**
Services & Misc.	**41,800**	**42,500**	**40,600**	**-700**	**1,200**
Hotels & Lodging Places	2,800	3,200	2,800	-400	0
Business Services	6,500	6,500	6,500	0	0
Health Services	10,600	10,500	10,100	100	500
Legal Services	1,200	1,200	1,200	0	0
Social Services	4,500	4,500	4,200	0	300
Engineering/Account'g/Research	6,200	6,300	6,100	-100	100
Government	**30,200**	**29,900**	**29,500**	**300**	**700**
Federal	9,600	9,700	9,600	-100	0
State	10,000	9,800	9,500	200	500
Local	10,600	10,400	10,400	200	200
Tribal	200	200	200	0	0

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 2 & 3—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 and Workforce Development, Research and *Analysis Section*

3 Hours and Earnings
For selected industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	preliminary 10/02	revised 9/02	revised 10/01	preliminary 10/02	revised 9/02	revised 10/01	preliminary 10/02	revised 9/02	revised 10/01
Mining	$1,179.78	$1,193.14	$1,386.84	42.0	42.4	47.3	$28.09	$28.14	$29.32
Construction	1273.38	1291.29	1337.25	45.3	46.6	46.4	28.11	27.71	28.82
Manufacturing	515.97	517.79	601.02	29.3	34.2	40.5	17.61	15.14	14.84
Seafood Processing	295.72	361.65	415.62	22.8	30.7	38.2	12.97	11.78	10.88
Transportation/Comm/Utilities	752.98	797.92	745.07	33.2	35.4	34.8	22.68	22.54	21.41
Trade	541.85	516.95	518.96	34.1	35.0	34.9	15.89	14.77	14.87
Wholesale Trade	935.35	771.13	669.66	39.6	42.3	37.1	23.62	18.23	18.05
Retail Trade	485.51	481.10	494.73	33.3	34.0	34.5	14.58	14.15	14.34
Finance/Insurance/Real Estate	640.79	675.65	627.59	34.6	36.7	35.1	18.52	18.41	17.88

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 2001
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

4 Nonagricultural Wage and Salary Employment

By place of work

Fairbanks North Star Borough

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	10/01
Total Nonag. Wage & Salary	36,100	36,950	35,450	-850	650
Goods-producing	4,050	4,500	3,950	-450	100
Service-producing	32,050	32,450	31,500	-400	550
Mining	900	900	1,100	0	-200
Construction	2,500	2,900	2,250	-400	250
Manufacturing	650	700	600	-50	50
Transportation/Comm/Utilities	3,050	3,200	3,200	-150	-150
Trucking & Warehousing	650	700	650	-50	0
Air Transportation	1,000	1,050	1,050	-50	-50
Communications	400	350	400	50	0
Trade	6,950	7,000	7,050	-50	-100
Wholesale Trade	700	750	650	-50	50
Retail Trade	6,250	6,250	6,400	0	-150
Gen. Merchandise & Apparel	1,200	1,200	1,400	0	-200
Food Stores	600	600	650	0	-50
Eating & Drinking Places	2,250	2,300	2,350	-50	-100
Finance/Insurance/Real Estate	1,200	1,250	1,200	-50	0
Services & Misc.	9,100	9,850	8,600	-750	500
Hotels & Lodging Places	900	1,350	850	-450	50
Health Services	2,350	2,300	2,150	50	200
Government	11,750	11,150	11,450	600	300
Federal	3,350	3,350	3,350	0	0
State	5,200	4,750	4,900	450	300
Local	3,200	3,050	3,200	150	0
Tribal *(no data)*	-	-	-	-	-

Southeast Region

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	10/01
Total Nonag. Wage & Salary	36,400	39,650	36,400	-3,250	0
Goods-producing	4,500	5,700	4,750	-1,200	-250
Service-producing	31,900	33,950	31,650	-2,050	250
Mining	300	300	300	0	0
Construction	1,850	1,950	1,750	-100	100
Manufacturing	2,350	3,450	2,700	-1,100	-350
Durable Goods	800	800	1,050	0	-250
Lumber & Wood Products	550	550	800	0	-250
Nondurable Goods	1,550	2,650	1,650	-1,100	-100
Seafood Processing	1,250	2,300	1,350	-1,050	-100
Transportation/Comm/Utilities	2,700	3,150	2,750	-450	-50
Trade	6,300	6,900	6,300	-600	0
Wholesale Trade	600	650	600	-50	0
Retail Trade	5,700	6,250	5,700	-550	0
Food Stores	1,250	1,250	1,250	0	0
Finance/Insurance/Real Estate	1,300	1,350	1,300	-50	0
Services & Misc.	8,150	8,950	7,800	-800	350
Health Services	1,750	1,750	1,750	0	0
Government	13,450	13,600	13,500	-150	-50
Federal	2,000	2,100	1,800	-100	200
State	5,500	5,650	5,600	-150	-100
Local	5,950	5,850	6,100	100	-150
Tribal	550	550	600	0	-50

Northern Region

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	10/01
Total Nonag. Wage & Salary	15,800	15,750	16,500	50	-700
Goods-producing	5,350	5,400	5,950	-50	-600
Service-producing	10,450	10,350	10,550	100	-100
Mining	4,800	4,850	5,300	-50	-500
Oil & Gas Extraction	4,350	4,350	4,800	0	-450
Government	4,950	4,800	4,950	150	0
Federal	150	150	150	0	0
State	350	350	300	0	50
Local	4,450	4,300	4,500	150	-50
Tribal	400	400	400	0	0

Interior Region

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	10/01
Total Nonag. Wage & Salary	41,500	44,150	41,000	-2,650	500
Goods-producing	4,350	4,900	4,250	-550	100
Service-producing	37,150	39,250	36,750	-2,100	400
Mining	1,000	1,050	1,250	-50	-250
Construction	2,650	3,100	2,350	-450	300
Manufacturing	700	750	650	-50	50
Transportation/Comm/Utilities	3,900	4,350	4,200	-450	-300
Trade	7,700	8,650	7,800	-950	-100
Finance/Insurance/Real Estate	1,300	1,300	1,300	0	0
Services & Misc.	9,750	10,850	9,250	-1,100	500
Hotels & Lodging Places	1,100	1,950	1,050	-850	50
Government	14,500	14,100	14,200	400	300
Federal	3,850	3,950	3,850	-100	0
State	5,450	5,050	5,150	400	300
Local	5,200	5,100	5,200	100	0
Tribal	300	350	300	-50	0

Anchorage/Mat-Su Region

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	10/01
Total Nonag. Wage & Salary	156,750	158,450	153,050	-1,700	3,700
Goods-producing	15,550	16,600	15,200	-1,050	350
Service-producing	141,200	141,850	137,850	-650	3,350
Mining	2,600	2,700	2,750	-100	-150
Construction	10,500	11,350	9,900	-850	600
Manufacturing	2,450	2,550	2,550	-100	-100
Transportation/Comm/Utilities	16,200	16,850	16,150	-650	50
Trade	37,400	37,200	36,600	200	800
Finance/Insurance/Real Estate	8,100	8,150	8,100	-50	0
Services & Misc.	45,550	46,200	44,150	-650	1,400
Government	33,950	33,450	32,850	500	1,100
Federal	9,800	9,900	9,700	-100	100
State	10,900	10,750	10,400	150	500
Local	13,250	12,800	12,750	450	500
Tribal	250	250	250	0	0

Southwest Region

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	10/01
Total Nonag. Wage & Salary	17,900	19,200	17,350	-1,300	550
Goods-producing	3,900	5,250	3,700	-1,350	200
Service-producing	14,000	13,950	13,650	50	350
Seafood Processing	3,650	5,000	3,500	-1,350	150
Government	7,350	7,150	7,200	200	150
Federal	350	350	350	0	0
State	550	500	500	50	50
Local	6,450	6,300	6,350	150	100
Tribal	1,250	1,250	1,300	0	-50

Gulf Coast Region

	preliminary 10/02	revised 9/02	10/01	Changes from: 9/02	10/01
Total Nonag. Wage & Salary	27,800	29,750	27,700	-1,950	100
Goods-producing	6,100	6,900	6,200	-800	-100
Service-producing	21,700	22,850	21,500	-1,150	200
Mining	1,150	1,150	1,250	0	-100
Oil & Gas Extraction	1,100	1,150	1,250	-50	-150
Construction	1,550	1,650	1,650	-100	-100
Manufacturing	3,400	4,100	3,300	-700	100
Seafood Processing	2,450	3,150	2,350	-700	100
Transportation/Comm/Utilities	2,250	2,300	2,400	-50	-150
Trade	5,250	5,900	5,150	-650	100
Wholesale Trade	350	500	400	-150	-50
Retail Trade	4,900	5,400	4,750	-500	150
Eating & Drinking Places	1,600	1,950	1,550	-350	50
Finance/Insurance/Real Estate	700	750	750	-50	-50
Services & Misc.	6,000	6,450	5,900	-450	100
Health Services	1,250	1,250	1,250	0	0
Government	7,500	7,450	7,300	50	200
Federal	750	850	700	-100	50
State	1,700	1,600	1,700	100	0
Local	5,050	5,000	4,900	50	150
Tribal	250	250	250	0	0

5 Unemployment Rates
By region and census area

Not Seasonally Adjusted	preliminary 10/02	revised 09/02	10/01
United States	**5.3**	**5.4**	**5.0**
Alaska Statewide	**6.3**	**6.3**	**5.7**
Anchorage/Mat-Su Region	**5.1**	**5.2**	**4.4**
Municipality of Anchorage	4.6	4.8	4.0
Mat-Su Borough	7.3	7.4	6.4
Gulf Coast Region	**9.7**	**9.1**	**8.7**
Kenai Peninsula Borough	10.4	9.8	8.9
Kodiak Island Borough	5.9	7.0	7.2
Valdez-Cordova	11.5	8.8	9.6
Interior Region	**6.2**	**5.7**	**5.7**
Denali Borough	13.1	6.0	11.5
Fairbanks North Star Borough	5.3	5.1	4.9
Southeast Fairbanks	11.5	9.5	10.9
Yukon-Koyukuk	13.8	15.1	11.2
Northern Region	**12.8**	**14.1**	**9.8**
Nome	10.5	11.3	9.6
North Slope Borough	11.8	12.9	8.1
Northwest Arctic Borough	17.5	20.0	12.6
Southeast Region	**6.3**	**5.6**	**6.4**
Haines Borough	12.6	6.4	10.3
Juneau Borough	5.1	4.6	5.0
Ketchikan Gateway Borough	7.5	7.2	7.5
Prince of Wales-Outer Ketchikan	8.7	8.1	8.2
Sitka Borough	4.9	4.8	4.4
Skagway-Hoonah-Angoon	10.2	5.6	11.5
Wrangell-Petersburg	4.8	5.7	7.3
Yakutat Borough	5.5	4.0	10.5
Southwest Region	**11.0**	**11.7**	**9.4**
Aleutians East Borough	3.3	3.4	2.9
Aleutians West	9.0	8.1	6.7
Bethel	11.3	12.5	9.7
Bristol Bay Borough	8.9	9.5	7.7
Dillingham	10.6	9.1	9.3
Lake & Peninsula Borough	10.8	11.6	9.1
Wade Hampton	18.3	20.5	15.8
Seasonally Adjusted			
United States	5.7	5.6	5.4
Alaska Statewide	6.8	7.5	6.1

2001 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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Seafood processing employment was faring better than last year in October. Decent groundfish harvests and a profitable red king crab catch contributed to this upswing. Crab fishers received nearly 28 percent more per pound than last year, and employment was 200 jobs ahead of last year's level. But big unsolved problems remain in Alaska's salmon industry. In an October workshop dealing with restructuring, industry members addressed the core problems: a depressed world market for Alaska's salmon, excess capacity in the fleet, inefficiencies in harvesting methods, product quality issues, and regulatory limitations.

Transportation sector employment fell 500 jobs below the October 2001 level. A variety of these industries experienced job losses. Ground transportation, pipeline, utility, communication and transportation services could not match their employment levels of last October. The gap was most noticeable in ground transportation, which includes school and tour bus companies. It is hard to determine the cause of the drop, because tour bus employment usually winds down in fall while school bus drivers are gearing up for their season. It is interesting that Fairbanks reported a shortage of school bus drivers and recruited elsewhere in the nation.

Unemployment stays level

October's statewide unemployment rate of 6.3 percent remained unchanged from September, six tenths of a percent higher than last year. (See Exhibit 5.) In October more than 21,000 Alaskans were without jobs compared to over 18,200 last year. The comparable national rate registered 5.3 percent. Proportionally, unemployment rose more in rural than in urban areas of the state. Fourteen of 27 Alaska areas reported double-digit unemployment rates.

Employer Resources

The relationship between employers and the Department of Labor and Workforce Development is an important one. The Department provides many valuable resources for employers, from addresses and phone numbers of Job Centers, to answering questions on employment practices and working conditions, and much more. From www.jobs.state.ak.us/employer.htm, click on "DOL Links for Employers" to access this information.