

ALASKA ECONOMIC

# TRENDS



the Changing  
Face  
of Alaska's  
Employment  
Security  
System

July 1997

A TRENDS PROFILE—  
THE BRISTOL BAY REGION

ALASKA'S EMPLOYMENT SCENE—  
ECONOMY SPRINGS FORWARD IN APRIL

ALASKA DEPARTMENT OF LABOR • TONY KNOWLES, GOVERNOR

# ALASKA ECONOMIC TRENDS



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# The Changing Face of Alaska's Employment Security System

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by Corine Geldhof

In the world of work today, the alliance between workers and employers is radically changing, and so is the business of linking job seekers to potential employers. Linking employers to workers and workers to jobs is the business of labor exchange. Labor exchange, beyond paying unemployment insurance benefits to the tens of thousands of Alaskan workers temporarily laid off each year, has been the role of the Alaska Department of Labor's (AKDOL) Employment Security Division for 60 years.

How these once simple transactions of connecting job seekers and employers and paying benefits to the temporarily unemployed will configure in the future is the most recent challenge of Alaska's employment security system. Government, not unlike most industries, faces the challenge as a paradox: how to deliver more services at less cost.

Alaska's employment security system, comprised of the Alaska Employment Service and the Unemployment Insurance program, is forging into the 21st century by taking advantage of numerous technological advancements and realigning its organizational framework to face this challenge. It is doing so under a statutory requirement that defines AKDOL's mission to "foster and promote the welfare of the wage earners of the state, improve their working conditions, and advance their opportunities for profitable employment," (Alaska Statute 23.05.101).

## Alaska's Employment Service historically accessible statewide

The crisis of the Great Depression that put hundreds of thousands out of work in the 1930's induced the federal government to pass laws to prevent or remedy future social ills. The Wagner-Peyser Act of 1933 established nationwide, government-run employment offices, and in Alaska, what is now known as the Alaska Employment Service. The four main industrial centers of

Anchorage, Fairbanks, Juneau, and Ketchikan in 1937 were the sites of the territory's first public employment offices.

Since 1937, the Alaska Employment Service has been the state's primary labor exchange -- dedicated to bringing employers and qualified job seekers together. Nearly 25 percent of Alaska's working age population relies on public employment service programs to help secure employment. Last year, over 28,000 jobs in a broad range of occupations at various wage and salary levels were filled through the public employment service, and thousands of other job seekers found stop-gap employment to tide them over until their job prospects improved. More than 6,000 of Alaska's employers use the state's employment service each year, posting over 30,000 job openings. The program operates 19 local offices in communities from Ketchikan to Nome. The goal is to contribute to the economic stability of Alaska by making sure Alaska's workers get help while unemployed and assistance for finding jobs.

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## The Alaska Employment Service has been the state's primary labor exchange

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Much of what works in Alaska's public employment service comes from having to respond to the fluctuations in the state's highly variable economy. A strong seasonal demand for labor from industries such as tourism, timber, fishing, seafood processing, oil exploration and production, construction, mining, and manufacturing creates the necessity for an integrated mix of services for employers and job seekers alike. The employment service does this by delivering services that best respond to the needs of Alaska's employers, wherever they happen to be, for competent and available workers, wherever they happen to be.

Linkages occur through many channels, including within employer communities, native corporations, chambers of commerce, schools, universities, community colleges, economic development councils, labor unions, and other employers and organized worker groups throughout the state.

Today, more often than not, the Alaska Employment Service office is the "town center," serving as "information agents," particularly in rural towns. Alaska Employment Service is the office where

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those seeking to set up business opportunities go; the place where those who need immediate assistance during Alaska's many seasonal employment cycles go; the place where employers in search of local labor market information go; and the place where employers who need to conduct job interviews in customized interviewing space, called "Employer Stores," go. Self-service computer resource rooms offer the visiting public computers to write resumés, obtain labor market information, look for jobs, make an appointment with an employer, explore training opportunities, and acquire career information.

The public employment service and its agency partners are on the scene with what in the trade is referred to as a "rapid response" effort when mills close, school teachers are laid off, and big oil companies announce downsizing. In the communities of Wrangell and Sitka, and most recently Ketchikan, where an overwhelming percentage of the labor force was devastated by mill closures, the employment security system responded by establishing on-site "transition centers" for direct support to laid-off workers and their families.

Alaska Employment Service offices are involved in a progressive "re-employment" program for unemployment insurance recipients, where people are assessed and offered extensive services intended to hasten their return to employment. Focus is on returning people to work and providing them with the requisite skills. A recent and highly successful innovation to the Alaska Employment Service is the job club, a self-supported, peer-oriented group where job seekers convene weekly to network and help each other infiltrate the labor market, giving each other advice on resumés, interviewing tips, and job searching.

Another high-profile initiative of the public employment security system today is Alaska Hire. Many of Alaska's top industries, including seafood processing, hire from *Outside*. The Employment Service has targeted the seafood industry as an area to promote year-round employment for resident hire by establishing a specialized seafood unit whose primary mission is to work with Alaska's seafood industry processors. The aim is to build partnerships that will provide a stable workforce for processors, with an emphasis on the employment of Alaskans into quality, year-round jobs. The collaboration and partnership appear to be paying off. Of those newly hired in the summer seafood industry, about 25 percent in 1996 were Alaska Permanent Fund Dividend recipients (residents) compared to only about 19 percent in 1995.

### Unemployment Insurance Program rooted in territorial Alaska

The federal Social Security Act that gave us unemployment insurance was passed in 1935. Alaska followed suit in 1937 when the territorial legislature enacted the Alaska Employment Security Act because lawmakers deemed "...involuntary unemployment is a serious menace to the health, morale, and welfare of the people of the state." According to the territorial commission's first annual report to the Governor, "The territory has never undertaken a program presenting greater administrative difficulties and responsibilities than those imposed by the Unemployment Compensation Laws." The first benefit check was typed

and signed by hand in Alaska for \$10.60, issued January 24, 1939. Since then, Alaska has paid billions of dollars in benefits, \$1.3 billion between 1987 and 1996 alone.

## What does Unemployment Insurance do?

Unemployment insurance (UI) is an *insurance* program, not a welfare program. It is insurance for people who would work if they could find a job. Among the most important things people in search of work need is financial support to tide them over between jobs, and UI is designed to do just that. As with other forms of insurance, when the benefits are needed they provide vital support to the recipients. For employers, UI benefits mean that a trained workforce is more likely to remain in the local community during temporary or even seasonal layoffs. During the recession between 1985 and 1988 in Alaska, more than 138,000 unemployed workers received unemployment compensation totaling over \$578 million. If the UI system's benefits were considered payroll during that time, the system would have been the third largest employer in the state. In addition, in times of economic trouble, an infusion of spendable income preserves the health of local economies. Nearly every dollar paid in unemployment benefits returns immediately to local communities.

## How are UI Benefits calculated and for whom?

The Alaska UI program is governed by the Alaska Employment Security Act. Taxes from both employers and workers in the state are collected to fund the payment of unemployment benefits. Alaska is one of only three states where the employer and the worker share the responsibility for building the reserves from which unemployment benefits are paid. Employers pay an additional tax to fund administration of the program under the Federal Unemployment Tax Act (FUTA). The Employment Security Tax Section of Employment Security Division collects more than \$135 million yearly to pay more than 70,000 individuals.

The UI program is counter cyclical, making it possible to accumulate reserves during good economic times in order to meet drains on the UI Trust Fund in poorer years. It is one of the built-in stabilizers in the economy, going into effect immediately with the onset of economic decline. For employers from whom the majority of FUTA taxes are collected, a sound state unemployment tax structure provides an incentive to maintain stable employment and a method for building reserves during periods of economic growth that can be utilized during periods of economic decline.

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Benefits are only available to those persons who have worked and are temporarily unemployed. There is a limit to benefits that can be claimed. By law, unemployed workers must meet certain requirements to receive unemployment checks. They must be actively seeking work and ready, able, and willing to immediately accept work for which they are reasonably suited. The amount of benefits a worker may receive each week is determined by past wage experience. The number of weeks a person will be eligible is determined by the length and stability of that person's work history. In these ways, UI eligibility reflects a recipient's demonstrated attachment to the labor force.

## Where the system goes from here is the 21st century challenge

How a system steeped in purposeful tradition prepares itself to face the future where workers and employers will have needs far different from those at its inception 60 years ago is the paramount consideration in restructuring public employment security services. Meeting those needs will become important as the demand for skilled

labor grows. According to the November 13, 1996, issue of the *Employment and Training Reporter*, from January 1993 through July 1996, the nation's economy added 10.2 million jobs, while at the same time 8.4 million people were displaced from their jobs. Two-thirds of the new jobs created demand higher than average skills and pay an above average salary. Although as of this writing no conclusive data exist about similar trends in Alaska, there is little doubt that the demand for skilled labor will be no exception as Alaska's economy gears up to face the next century.

Any employment security program of the future inevitably will involve the use of technology. New information systems and technologies are what Associate Assistant Secretary for the U.S. Department of Labor, Jim Vollman, says are the "electronic backbone for the American workforce development system." This application is particularly useful in Alaska. The state employment security programs are federally funded and statutorily required to provide a host of services to Alaska's over 600,000 citizens who occupy nearly 600,000 square miles. The state has much to gain from technological advances, more perhaps than any other area of the U.S., due to the vast distances over which its disparate and sparse population is spread, and due to its severe climate.

are dispersed to the eligible unemployed are questions for which Alaska's Employment Security Division is in a race with the clock to answer. Peter Calderone, the former commissioner for New Jersey's Department of Labor remarked when speaking on behalf of his own efforts to reorganize New Jersey's system, "In today's fast-paced world, it's more than ever true that those who hesitate are lost."

### Future labor exchange requires realignment and transformation

Alaska's wake-up call in recognizing the need to expedite its future labor exchange was prompted by a 1996 federal reduction of nearly \$1 million in Wagner-Peyser funds used to pay for state employment service programs. The amount of nearly \$1 million represented approximately 10 percent of Alaska's public employment service annual operating budget. Although the onus was on the employment service component of the budget, the cut was severe enough to realign and transform the entire operations, including the unemployment insurance (UI) program. The operating costs for both the UI and employment service programs are almost 100 percent federally funded in Alaska. A critical link exists between the two programs because a quick return to employment restores workers' earnings and minimizes unemployment benefits paid from employer taxes. Under the existing 60-year-old system, unemployment benefit recipients are required to register and report for employment services; in order to receive benefits, they must be able to actively look for work.

As a result of the federal budget reductions, the AKDOL Employment Security Division's task this past year has been to restore productivity and deliver fast, efficient services and high-demand products. A new look at the historical core mission and institutional purpose of Alaska's employment security system provides direction to this task—get people jobs and pay UI. Clearly, the immediate challenge is to enhance their delivery, and the answer has been found in emerging technologies.

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New information systems and technologies are the "electronic backbone for the American workforce development system."

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Futurists predict that within the next decade up to 50 percent of the United States' workforce could be self-employed. How employers will find workers, how job seekers will find work, and how, meanwhile, unemployment benefits

## UI “Call Centers”—where telephone lines replace waiting lines

Processing UI claims is a straightforward, standardized procedure and does not require one-on-one, labor-intensive contact between a claims taker and a claimant. When seasonal high unemployment hits communities, staff time typically devoted to employment services, such as job searches and employer outreach, stands still in the employment service offices across Alaska until UI is processed, one-on-one, claim by claim. Ironically, when there is high unemployment, there is a more pressing need to help the unemployed find or prepare to find their next job, in addition to paying benefits. Organizational change has been inspired by the thought that UI claimants just want the services provided to them as efficiently as possible.

In November 1995, when seasonal highs in processing unemployment claims paralyzed the employment service side of operations, the largest office in Anchorage converted to a UI “call center,” no longer requiring claimants to file for benefits in person. Claims were taken by mail or phone only. For Anchorage, which annually handles 24 percent of the state’s claims, the transition changed the look and feel of the local office. “Before this, the office was focused on unemployment claims, with seasonal peaks that would feel like chaos,” said Jerry Kanago, Anchorage Office Manager. “We reduced the number of in-office customers, which reduced waiting time. Now our face-to-face customers are job seekers, actively choosing our services to find new jobs.”

The lobby area in Anchorage once used for waiting, was converted to a resource room with personal computers and self-service terminals. Customers can prepare resumés, review current job openings, obtain labor market information and refer themselves to a job club facilitated by a staff member. Job club participants work as a group for three weeks, networking, sharing employer information, practicing interviews and reviewing each other’s resumés.

When the effect of centralizing UI claims into “call centers” began to be felt, John Scott, then

Sitka’s local office manager of the Alaska Employment Service, found time to canvass the community’s employers. “Our plan was to introduce our employment services to a host of new customers. We said, ‘We are your job service; we’re here to serve you; what can we do?’” The results were extraordinary, including immediately receiving five times as many job orders in a two-week period from Sitka’s employer community. “Taking unemployment processing out of the office has changed our focus. We are now directing our time to employers, which is where I always believed it should be, but we could never find enough time,” Scott added.

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## Toll-free call centers are enabling Alaskans from all over the state to initiate their UI claims.

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The Sitka local office of the Alaska Employment Service has long been known for its professional, business-like environment, but one significant change was made recently, to increase the customer focus. “We had this counter in our reception area, a barrier between us and our customers,” Scott said. “We took it down. Now we welcome our customers face-to-face, eye-to-eye.”

Predicated on the success of the Anchorage experiment, toll-free call centers today are enabling Alaskans from all over the state to initiate their UI claims. The efficiencies in Anchorage showed that the physical and functional removal of UI from the employment service office was not only logical, it made good “service” sense. Telephone lines replaced waiting lines for the unemployed. Moreover, staff overtime has decreased as much as 96% in some locations, and call center staff report very favorable feedback from users. Before the call centers, Alaska paid only 79 percent of UI claimants on a timely basis, but with the advent of new processing, over 90 percent are now on time.

# HISTORY OF ALASKA'S EMPLOYMENT SECURITY SYSTEM<sup>1</sup>

**1935** With the passage of the Social Security Act of 1935, the Unemployment Insurance System was born.

**1937** The Alaska Unemployment Compensation Act was passed in the 1937 session of the territorial legislature.  
  
Offices were located in Anchorage, Juneau, Fairbanks, and Ketchikan.

**1938** Cordova office opened because of the mass layoff caused by closure of the Kennecott Copper mine and the Copper River and Northwestern Railroad which closed November 1939.  
  
Nome office opened.

**1939** Nome office closed after five months in February 1939. Cordova office closed; manager and equipment went to Kodiak. Kodiak opened December 1939 and closed February 1949.  
  
First claim check was issued January 24, 1939, in the amount of \$10.60.

**1941** December 19, 1941, Alaska was asked (along with all other states and territories) to turn over operations to the federal government in an effort to secure unified direction and control considered necessary for the management of the national labor exchange during the period of national emergency. This was done in early 1942, but was subsequently returned to the territory on November 16, 1946 (War Manpower Commission).  
  
During the war, offices were opened for brief periods at Adak, Shemya, Haines, Valdez, Sitka, Excursion Inlet, Whitehorse and Edmonton, Alberta. Workers came to Alaska hoping to work on the military bases that were being built. The Commission tried to stop the needless migration of labor and the seeds of local hire were sown.

**1947** First full post-war year. Offices in Anchorage, Cordova, Juneau, Fairbanks, Ketchikan and Kodiak. Wrangell office opened October 1947; two people took turns traveling to Petersburg.

**1948** Until July 1948, territory did not have to match funds—entire cost was paid out of federal funds. Opened liaison branch office in Seattle.

**1949** Cordova and Kodiak offices closed due to lack of funds, and because of a ruling that communities smaller than 5,000 persons did not warrant a local employment office.

Seattle liaison branch closed. Allowance for dependents was added to benefits.

**1951** April 1951, Wrangell office transferred to Petersburg. Each local office had a designated Veteran Employment Representative. To help meet the labor needs of the Alaska Railroad, mining industry and defense contractors, the Alaska Territorial Employment Service in cooperation with the Alaska Native Service, and labor management, tapped a labor resource in our own back yard — the Alaska Native. This activity resulted in 1,417 placements, including 227 with the Alaska Railroad, 917 with defense construction contractors, 91 mining and 175 to three different fish processing cooperatives. Kodiak office reopened part time. Palmer office opened part time.

**1953** Offices were located in Anchorage, Fairbanks, Juneau, Ketchikan and Petersburg commonly referred as the "Commission." The five local offices made 4,000 visits to local employers.

**1954** Oil pipeline constructed from Haines westward. Ketchikan Pulp Mill was constructed.

**1957** Organization Act of 1957 placed Employment Security Division within the Department of Labor. Homer office opened.

**1959** Part-time offices opened in Nome, Kodiak, Palmer and Sitka. Statehood generated accelerated interest in Alaska jobs with Employment Service principal aim... "RIGHT WORKER IN RIGHT JOB"... ALASKA JOB FACTS brochure prepared to send to 28,904 inquirers.

**1960** Full-time offices in Fairbanks, Anchorage, Juneau, Petersburg, Ketchikan and Sitka. Part-time in Kodiak, Palmer and Nome.  
  
Full-time claims office opened in Homer. Positive recruitment for Alaska Lumber and Pulp and for RCA for Clear Missile Detection Site.

**1962** Full-time claims office opened in Soldotna. Part-time office opened in Seward. Manpower Development Training Act passed, determining training needs, developing training projects.

**1964** Alaska Earthquake was a priority project that sent workers to assist in rebuilding Anchorage, Kodiak, Seward.  
  
Economic Opportunity Act of 1964 activated Job Corps. Neighborhood Youth Corps (NYC) and Community Action Programs Emergency Office established in Valdez.



- 1967** In the aftermath of the Fairbanks flood, the local office was used as a morgue. The local office manager filled out an accident report involving a river boat.
- 1968** Kodiak fish processors access Bethel and Lower Kuskokwim for laborers. Operation Mainstream: Goal was to help hard-core unemployed and disadvantaged become prepared to be active and employable. Fairbanks recruited 873 emergency fire fighters for BLM. Commercial oil discovery on North Slope.
- 1969** 1969 Legislature established Manpower Training Division, became Manpower Centers, under Governor Keith Miller. Glennallen office opened. Civilian workforce was 103,700. Smaller communities project in Barrow. Bethel recruited cannery workers for Kodiak. Palmer office found workers to harvest potatoes and other crops. Oil companies were told about employment service recruiting capabilities. Bethel office opened.
- 1970** Dillingham, Barrow, and Kenai offices opened.
- 1971** Smaller Communities Team, Manpower Development and Training Act, Work Incentive Program (WIN), New Careers, Neighborhood Youth Corp, Bureau of Apprentice and Training.
- 1973** Nixon signed the Comprehensive Employment and Training Act (CETA).
- 1974** Petersburg office closed. Trans-Alaska Pipeline construction began from Prudhoe Bay to Valdez.
- 1975** Operation Hitchhike...Provided service to 15,556 individuals from 75 remote villages; Cooperative venture also between Department of Education and Youth Employment Service. Youth Employment Service placed 20,190 in jobs. Tok office opened.
- 1977** Rural Mobile Team; JOB Bank established.
- 1978** Palmer office moved to Wasilla.
- 1979** Homer office closed. Kotzebue office opened. Petersburg office reopened.
- 1980** Targeted Jobs Tax Credit Program established, providing tax credit incentives to employers who were willing to hire and train workers from targeted groups.  
  
Homer office reopened in a motor home in the parking lot of a drugstore on Pioneer Avenue.
- 1985** Valdez office reopened.
- 1986** Barrow office closed; Eagle River office opened.
- 1988** "Alaska Employment Service" designated as new name. Unified service delivery of both employment service and unemployment processing in one location at one time for local offices. Dutch Harbor office closed.
- 1989** Cordova office reopened in response to Exxon Valdez oil spill.
- 1990** Cordova and Soldotna offices closed. Bethel, Dillingham, Petersburg and Kotzebue offices became full service offices.
- 1994** New automated benefit system installed, called "DB2."
- 1995** Targeted Jobs Tax Credit program (TJTC) expired. Unemployment Insurance processing shifts from Dillingham to Juneau Mail Claims. Dillingham office is open part time only.
- 1996** Worker Opportunity Tax Credit (WOTC) program established by federal Small Business Job Protection Act to encourage employers to hire from targeted groups.  
  
Petersburg, Sitka and Ketchikan unemployment insurance processing moved to Juneau UI Call Center.  
  
Eagle River, Bethel, Glennallen, Kotzebue, Nome, Tok, Homer and Valdez unemployment services moved to Anchorage UI Call Center.  
  
Fairbanks and Juneau UI processing shifts to UI Call Center mail claims.  
  
Glennallen and Tok offices close for winter  
  
Unemployment Insurance site debuts on Internet.
- 1997** Seward, Kenai and Kodiak unemployment insurance services moved to Anchorage UI Call Center.  
  
Tok and Glennallen offices reopen for summer employment season.  
  
Alaska's Job Bank debuts on Internet.

*1. Events have been compiled and reconstructed from incomplete historical records.*

*Source: Alaska Department of Labor, Employment Security Division.*

Most significantly, the shift to UI call centers frees up staff time in the employment service offices for helping people find jobs and helping employers find job-ready people – exacting the business of labor exchange. The emphasis for employers is on referring qualified applicants for job vacancies and providing critical labor market information for business and economic planning. For job seekers, the emphasis is on referral and job placement for the ready and willing workers, referrals to training for the unready, skills assessment and counseling for workers in transition, and a place to hone skills for veterans who re-enter the labor force. While other public employment programs are described as *school-to-work* and *welfare-to-work*, the employment service is now designed to be described as a *work-to-work* program.

### The 49th State makes futuristic innovations

The Executive Summary of Alaska Lieutenant Governor Fran Ulmer's *Working Group on Electronic Access to Government* report, dated January 12, 1995, reads, "The world is coming north on the information highway. If we can't handle the traffic, the world will press a button and take its business elsewhere. Government officials and government information must be accessible to Alaska's citizens, businesses, and customers. We must give the next generation of Alaskans the tools to compete on the Internet and the rest of the national information infrastructure."

The AKDOL Employment Security Division is positioning itself for a future where not only federal program realignments and resource reductions are probable, but where the increased demand for services and products is inevitable. Claims for unemployment insurance (UI) are not likely to stop, given the continuing seasonality of Alaska's industries. Alaskans are not likely to stop looking for their first, next, or best job. The business of labor exchange is still in demand and the public employment security system, as the U.S. Congress has recently concluded, is vital to maintain. There is no substitute for the universally available, coordinated system of the local employment service offices and UI centers already in place.

### VICTOR debuts

Several new projects recently instituted by the Employment Security Division are noteworthy for putting *security* back into Alaska's future employment picture. In addition to UI call centers, a more sophisticated approach using telecommunications to process UI claims currently is making its debut. *VICTOR* (Voice Initiated Claims Telephonic Online Response) is a telephonic, voice-initiated response system designed to serve UI claimants even faster by allowing them to file their bi-weekly claims over the telephone. Previously, only *initial* claims were taken by telephone, and followed up by mail-in certifications. *VICTOR* will enable claimants to conduct virtually all their UI business through a toll-free number, electronically making inquiries, and electronically recording answers, in order to transact and process claims. It will also enable claimants to have the most frequently asked question in the UI payment business, "Where's my check?", be immediately answered. This service will be available seven days a week, 6:00 am until 7:00 pm. With 184 phone lines, the system can process more than one million calls per year. Starting with Sunday of the week, claimants can file for two weeks' benefits via *VICTOR*. The following day, they can call *VICTOR* again and hear the status of the claimed weeks. Filing and inquiries will be easier, cheaper, and quicker for the claimants.

### Benefit payments electronically deposited

To complement *VICTOR*, a companion program will debut in 1998 and make possible the automatic deposit of eligible claimants' benefits directly into their designated savings or checking accounts. This feature, Electronic Funds Transfer, permits applicants, once they are determined eligible, the option of having their benefit payments automatically transferred directly into their bank accounts. This will eliminate sending paper checks to applicants via U. S. Postal Service, avoid Alaska's inclement-weather-produced mail delays, improve service generally, and realize a significant savings in operational costs.

## Alaska's Job Bank hits the information highway

The 49th State was the 49th state to partner with the nation's electronic public labor exchange by putting Alaska's Job Bank (<http://labor-aix.state.ak.us/cgi-bin/jobs>), the public employment service statewide job orders, on the Internet, with a direct link to America's Job Bank. Together, both America's Job Bank and Alaska's Job Bank post up to 500,000 jobs on any given day. While the Internet will provide Alaskans, especially those in rural areas, much broader access to information about jobs in their own state, the same access to these job listings will be available to nonresident job seekers as well. To provide resident Alaskans optimum access to job opportunities close to home, each Alaska Employment Service office has the ability to restrict recruitment on job orders to its own local area for up to two weeks before posting the job for worldwide access on the Internet. The most important aspect, however, of an online job bank is that job openings are immediately available to all Alaskans, whether or not they have access to a public employment service office. The on-line job bank also is an intelligent investment in Federal Unemployment Tax Act dollars because of the impact it has on keeping UI taxes down, and more importantly, because it reduces the cost in both time and money of recruiting qualified employees.

The possibilities for Alaska connecting to America's Talent Bank and America's Training Network, both still in developmental stages with pilots in several states, are very real. The talent bank will permit job seekers to enter their resumé online so that employers can view them and determine their suitability for immediate openings. The training network, in the embryonic stages, is being designed as a database of training opportunities just as America's Job Bank is a database of job openings and America's Talent Bank is a database of resumé.

## One-stop career centers on horizon

Alaska is participating to the extent resources permit in America's One-Stop Career Center Sys-

tem. The system connects employment, education, and training services into a coherent network of resources at local, state, and national levels. This new system links the nation's employers to a variety of qualified applicants and provides job seekers with access to employment and training opportunities next door as well as around the country. The Alaska Job Centers Network unites several key agencies to collaborate and consolidate delivery of services, including combining facilities when possible. The Alaska one-stop design was strengthened when a 1995 legislative act created the Alaska Human Resource Investment Council (AHRIC) to oversee the planning, monitoring, and evaluation of all state- or federally-funded employment and training and education programs. Through AHRIC, state agencies now have the official authority to intensify their cooperative work so that Alaskans have better opportunities to acquire the necessary skills, knowledge, and education for good jobs. The one-stop network in Alaska will bring together, sometimes under one roof, an array of employment and training programs, social services, and education opportunities so that the common frustration among job seekers and employers in finding quality information on available employment and training services is remedied.

## Alaska's employment security venture is prepared

The venture of Alaska's public employment security system has been one of progressive service, moving the resources and values accumulated over its 60 years into the technology and market places of both today's world and that envisioned for the coming century. Staff resources are evolving from a labor-intensive, one-on-one service delivery force to a technologically facilitated delivery system designed to help the public help themselves. This describes the changing face of Alaska's public employment security system, continually adapting to better prepare Alaska's up and coming workforce for whatever our future world of work will demand.

# A Trends Profile— The Bristol Bay Region\*

by Neal Fried and Brigitta Windisch-Cole

Neal Fried and Brigitta Windisch-Cole are labor economists with the Research and Analysis Section, Administrative Services Division, Alaska Department of Labor. Neal and Brigitta are located in Anchorage.

The Lake and Peninsula Borough, Bristol Bay Borough, and Dillingham Census Area combine to form the Bristol Bay region, which takes its name from Bristol Bay, the largest bay in the southern part of the Bering Sea. This region surrounds the richest salmon fishing grounds in the world. Its area encompasses nearly 43,000 square miles – nearly the same size as the state of Ohio. Although it is large, this region is one of the most remote and sparsely populated areas of the state. From Anchorage, the region is accessible by air and in most cases, by boat.

## A small population with many communities

The total resident population for the region in 1996 was 7,568. (See Table 1.) The region includes 31 communities that can be found along the coast, up the rivers, and on the shores of its large lakes. Some of these communities evolved

from traditional summer fish camps or winter villages that have been inhabited for thousands of years. Others developed around trading posts, canneries, churches, schools and governmental centers. The largest community in the region is Dillingham with a population of 2,226. It is home to one of the two major airports that connect the region to the rest of the state. It is also a fishery, health care, transportation, government and commercial center for much of the region. Within the Dillingham Census Area are 10 other communities. Except for the city of Dillingham, no other community in the region has a resident population that exceeds 800. However, during the summer months, the population of the area more than doubles.

Within the narrow boundaries of the Bristol Bay Borough lie the three other larger communities in the region. They include King Salmon and Naknek, which are connected by a 15-mile road, and South Naknek, which lies just across the river. Combined, these three communities form the other major commercial, fishery, administrative and population center of the region. King Salmon is the other transportation hub that connects the region to the outside world. The Bristol Bay Borough is also the oldest borough in the state, formed in 1962. Although the Lake and Peninsula Borough represents the largest geographical area in the region, it is comprised of 17 smaller villages with a total population of 1,852. Nondalton is the largest community with a population of 237. (See Table 1.)

In the 1990s, the region's population has grown more slowly than the rest of the state's. The Bristol Bay Borough lost popu-

Figure • 1

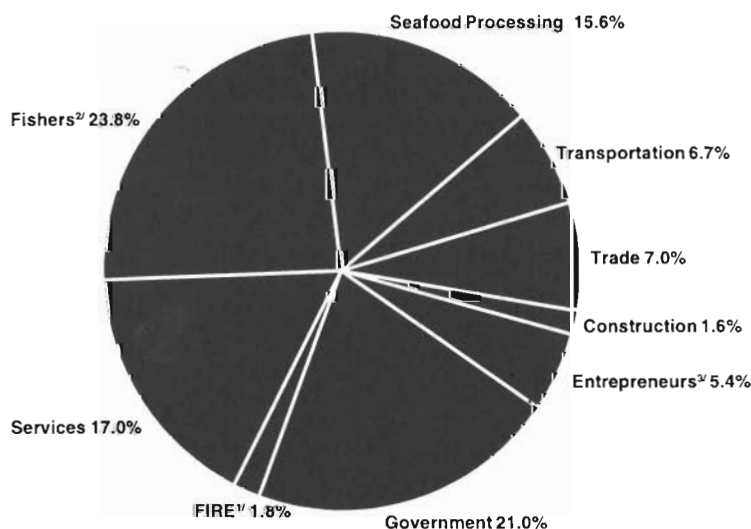
## Where the Jobs were in 1996 in the Bristol Bay Region

1/ Finance, Insurance and Real Estate.

2/ Estimate: based on number of permits and crew factors.

3/ Estimate: based on self-employment data from the U.S. Census.

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



lation because of the closure of King Salmon Air Force Base in 1994. Population in the Dillingham area and the Lake and Peninsula Borough also grew at a slower rate than in the rest of the state. With the exception of the Bristol Bay Borough, the residents of the area are considerably younger than elsewhere. (See Table 2.) Alaska Natives make up 72 percent of the region's population. They include Yup'ik Eskimos, Athabascans, and Aleuts. The balance of the population is largely white. Smaller communities are predominately

Native Alaskan, while the larger communities have a larger portion of non-Native population.

## A healthy fishery

Unlike many fisheries which are struggling, Bristol Bay's fishery is one of the healthiest in the world. In over 100 years of commercial salmon fishing, the harvest exceeded 200 million pounds five times. Fishers landed four of these bountiful

Table • 1

## The Bristol Bay Region's Population

	1990	1991	1992	1993	1994	1995	1996	% Change 1990-1996
Bristol Bay Borough	1,410	1,468	1,560	1,561	1,280	1,204	1,254	-11.1
King Salmon	696	739	802	812	510	438	467	-32.9
Naknek	575	579	602	605	614	615	627	9.0
South Naknek	136	147	153	141	153	148	157	15.4
Rest of Borough	3	3	3	3	3	3	3	0.0
Dillingham Census Area	4,012	4,141	4,198	4,298	4,260	4,371	4,462	11.2
Aleknagik	185	203	192	176	167	180	190	2.7
Clarks Point	60	55	71	55	61	62	66	10.0
Dillingham	2,017	2,118	2,118	2,168	2,147	2,188	2,226	10.4
Ekuk	3	3	3	3	3	3	3	0.0
Ekwok	77	76	78	94	88	84	84	9.1
Koliganek	181	190	192	196	206	211	210	16.0
Manokotak	385	392	398	419	404	405	396	2.9
New Stuyahok	391	387	406	412	418	420	442	13.0
Portage Creek	5	5	5	6	6	6	6	20.0
Togiak	613	609	639	668	656	706	740	20.7
Twin Hills	66	72	65	70	74	75	67	1.5
Rest of Area	29	31	31	31	30	31	32	10.3
Lake and Peninsula Borough	1,668	1,739	1,797	1,794	1,802	1,824	1,852	11.0
Chignik	188	178	165	178	156	140	128	-31.9
Chignik Lagoon	53	55	58	61	61	71	80	50.9
Chignik Lake	133	130	135	132	144	154	152	14.3
Egegik	122	126	129	123	135	140	139	13.9
Igiugig	33	31	44	42	40	48	48	45.5
Iliamna	94	95	95	97	101	97	103	9.6
Ivanof Bay	35	32	41	34	32	28	28	-20.0
Kokhonak	152	152	156	157	164	159	166	9.2
Levelock	105	105	109	112	104	109	111	5.7
Newhalen	160	160	164	165	172	168	175	9.4
Nondalton	178	214	226	227	232	235	237	33.1
Pedro Bay	42	53	51	48	41	49	45	7.1
Perryville	108	118	100	106	108	102	101	-6.5
Pilot Point	53	65	75	71	75	73	80	50.9
Port Alsworth	55	54	54	51	56	64	64	16.4
Port Heiden	119	130	134	132	123	131	147	23.5
Ugashik	7	5	5	5	5	5	5	-28.6
Rest of Area	31	36	56	53	53	51	43	38.7
Bristol Bay Region	7,090	7,348	7,555	7,653	7,342	7,399	7,568	6.7
Communities >500	3,901	4,045	4,161	4,253	3,927	3,947	4,060	4.1
Communities <500	3,189	3,303	3,394	3,400	3,415	3,452	3,508	10.0

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

catches in the 1990s. (See Table 3.) The 1995 harvest tipped the scales with over 251 million pounds of salmon, setting the record catch for the Bay. Since a near collapse of the fishery in the early 1970s, sound conservation measures and improved management practices have dramatically increased the Bay's harvest.

## Fishing reigns king

More than two decades ago, economist George Rogers wrote of the Bristol Bay region, "Since the beginning of historic time until the present the fisheries and the fur resources have been the source of income and employment." Little has changed. Though the commercial importance of the fur trade has waned, it remains an important subsistence resource. Fisheries still dominate both the subsistence and the cash economy of the region.

The sockeye (red) salmon fishery controls the economic health of the region. In 1996, over 95 percent of the salmon harvested in Bristol Bay were sockeye. The remaining five percent of the catch included the other four salmon species. Bristol Bay is home to the largest red salmon fishery in the world. During certain years, more than half of all sockeye harvested in the world comes out of the Bay. In 1996, Bristol Bay's salmon harvest represented 17 percent of the salmon (all species) landed in the state and 38 percent of the total harvest value. The number of large lakes connected to the Bay by its many rivers has allowed this giant fishery to evolve. Unlike other salmon, sockeye depend exclusively on lakes for rearing.

## Herring fishery is also important

Togiak is the site of the largest herring harvest in the state. In 1996, herring fishers landed almost

50 percent of Alaska's total harvest in Togiak. This fishery typically lasts for only a few days, or even hours. In 1996, for example, in three days, the purse seine fleet fished a total of 145 minutes and netted the majority of the \$14.4 million catch. This early May fishery has become an important source of income for some Bay residents. Unlike the salmon fishery, it is an open entry fishery,

Table • 2

## A Snapshot of Bristol Bay Region's Current Statistics

	Alaska	Dillingham Census Area	Bristol Bay Borough	Lake and Peninsula Borough
<b>Where 1.2% of Alaska's population resides...</b>	607,800	4,462	1,254	1,852
<b>Population Density:</b>				
Persons Per Square Mile	1.07	0.24	2.42	0.08
<b>The majority of the population is Native Alaskan</b>				
White	74.6%	21.2%	53.8%	23.6%
Native American	16.5%	78.5%	42.1%	75.6%
Black	4.5%	0.1%	2.6%	0.2%
Asian & Pacific Islanders	4.4%	0.2%	1.5%	0.6%
Hispanic Origin	4.3%	1.6%	12.7%	1.7%
<b>Most residents are younger...</b>				
Median Age (1996)	30.9	27.7	32.5	27.6
Under 20 (1996)	34.1%	41.3%	34.8%	42.1%
Ages 20 to 64	61.0%	53.8%	61.3%	52.7%
Age 65 years and older	4.9%	4.9%	3.9%	5.2%
<b>Income disparity exists....</b>				
Median Household Income (1993) 1/	\$39,433	\$38,284	\$53,062	\$31,983
Personal per capita income (1994) 2/	\$23,437	\$22,323	\$31,950	\$18,803
Annual average monthly earnings (1995)	\$2,691	\$2,251	\$2,556	\$1,739
<b>...and poverty rates are quite high</b>				
All persons living in poverty (1993) 1/	11.4%	21.2%	5.4%	26.8%
And related Children 5 to 17	13.7%	26.2%	5.6%	29.4%
<b>Annual Avg. Unemployment Rates for 1996</b>				
Labor Force Participation Estimate (1996)	7.8%	7.9%	9.1%	7.7%
	72.7%	60.4%	55.5%	52.3%
<b>Educational Attainment, Age 25+ (1990) 1/</b>				
Percent High School graduates	86.6%	82.5%	89.8%	60.7%
Percent Bachelors degree or higher	23.0%	21.3%	18.9%	14.40%

1/ Source: U.S. Department of Commerce, Bureau of the Census.  
2/ Source: U.S. Department of Commerce, Bureau of Economic Analysis.  
Source: Department of Labor, Research and Analysis Section.

which means anyone can fish. Boats from all over the state and some from out of state travel to the Togiak fishing grounds—in 1996, about 730 boats joined the frenzy. The Togiak herring fishery is best described as a derby, where boats fiercely compete to intercept the massive schools of herring that are ready to spawn.

Until recently, the shellfish, ground fish and halibut harvests in the Bay have not been important because these fisheries take place in the deeper waters of the Bering Sea. In past years, only a few local fishers participated in these pot, longline and trawl fisheries. Therefore, fortunes earned in the close-by Bering Sea hardly benefited the residents and the communities of the Bristol Bay region. However, with the onset of Community Development Quotas, this is beginning to change.

## Community Development Quotas link region to Bering Sea riches

In 1992, the Community Development Quota (CDQ) program was developed to ensure the participation of coastal communities in the deep water Bering Sea groundfish harvest. The program provides six organizations in Western Alaska with 7.5% of the pollock harvest quota. In the Bristol Bay region, the Bristol Bay Economic Development Corporation (BBEDC) manages this quota and contracts fishing with a trawler fishing vessel. During the past five years, BBEDC has received over \$16 million in royalties from the pollock harvest and has redistributed these proceeds among the 14 participating Bristol Bay communities. Their residents benefit through scholarships, vocational training, adult and general education programs and technical grants. The organization also negotiates employment contracts with fish processing companies for the

Table • 3

### The Bay's Harvest Records

	Salmon in pounds <sup>1/</sup>	Salmon harvest value	Average price per pound	Herring in short tons <sup>2</sup>	Herring harvest value	Average price per ton	Total harvest value	
1978	88,686,446	\$55,462,419	\$0.63	7,735	\$2,629,734	\$340	\$58,092,153	
1979	138,812,160	139,209,072	1.00	11,178	7,074,667	633	146,283,739	
1980	153,834,281	83,979,899	0.55	17,645	3,365,405	191	87,345,304	
1981	175,327,104	132,886,366	0.76	12,298	4,222,645	343	137,109,011	
1982	117,323,624	79,384,471	0.68	19,682	6,110,483	310	85,494,954	
1983	227,045,607	142,748,987	0.63	25,959	10,905,476	420	153,654,463	
1984	168,870,715	103,310,376	0.61	19,257	7,191,516	373	110,501,892	
1985	145,952,071	118,687,380	0.81	25,233	12,921,199	512	131,608,579	
1986	107,357,917	140,697,751	1.31	16,120	8,799,848	546	149,497,599	
1987	108,118,780	139,346,532	1.29	15,404	10,864,619	705	150,211,151	
1988	104,338,836	194,244,590	1.86	14,090	14,558,654	1,033	208,803,244	
1989	174,719,235	209,721,733	1.20	12,168	5,133,111	422	214,854,844	
1990	202,558,755	214,175,094	1.06	12,253	8,065,065	658	222,240,159	
1991	159,189,393	115,537,744	0.73	14,970	8,197,218	548	123,734,962	
1992	193,139,483	208,651,349	1.08	25,782	9,085,825	352	217,737,174	
1993	250,698,286	167,076,309	0.67	17,925	5,307,577	296	172,383,886	
1994	205,937,958	197,536,981	0.96	30,293	9,139,006	302	206,675,987	
1995	251,471,652	195,972,456	0.78	26,504	22,257,592	840	218,230,048	
1996 <sup>3</sup>	194,300,000	140,870,000	0.73	24,063	14,400,000	598	155,270,000	

<sup>1</sup>/Includes drift gillnet and set net fisheries.  
<sup>2</sup>/Bait and sac roe herring (purse seine and gill net fisheries).  
<sup>3</sup>/Preliminary harvest results 1996, excluding bait herring fishery.

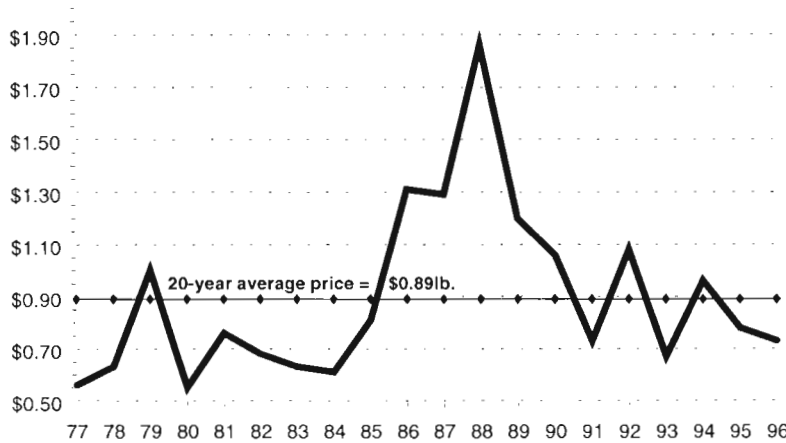
Source: Department of Fish and Game, Commercial Fisheries Entry Commission.

Figure • 2

## Salmon Prices peaked in 1988 for the Bristol Bay's Harvest

Average harvest prices per pound

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



residents of those communities. While in 1992 only seven locals found jobs through the CDQ program, in 1996, nearly 130 Bristol Bay residents held payroll jobs through BBEDC's involvement, earning \$748,000.

In 1995, a new quota share program evolved for the sablefish and halibut fisheries. From this program, BBEDC received quota shares for two distinct fishery management regions. The organization contracts fishing in one quota area and divides the other share among interested residents. In 1996, 16 CDQ permit holders took advantage of the program and landed a \$79,000 catch. These new programs give Bristol Bay residents an opportunity to gain experience and to access a new fishery.

Under the terms of the current regulations, the community quota shares are guaranteed for only a specific time period. Those harvest shares may change when the species-specific quota allocations are renegotiated. Currently, new share quota programs are evolving for other fisheries such as crab and other groundfish.

Table • 4

## Bristol Bay Region's Annual Average Monthly Wage and Salary Employment 1988-1996

	1988	1989	1990	1991	1992	1993	1994	1995	1996 <sup>1</sup>
Total	3,193	3,688	3,425	3,546	3,708	3,785	3,878	3,820	3,683
Private Sector	2,196	2,599	2,319	2,391	2,539	2,576	2,691	2,702	2,591
Mining	2	5	0	0	8	8	10	2	3
Construction	45	60	18	37	58	61	61	75	82
Manufacturing	1,014	1,273	1,135	1,110	1,121	1,005	1,010	1,038	815
Seafood Processing	995	1,261	1,128	1,103	1,116	1,005	1,010	1,038	813
Trans., Comm., & Util.	316	358	235	292	337	357	343	291	346
Trade	282	313	297	232	244	312	336	357	365
Wholesale	39	43	32	17	18	12	16	18	22
Retail	243	270	265	215	226	300	320	339	343
Finance, Ins., & Real Estate	94	73	67	68	81	76	104	99	96
Services	439	517	567	651	686	753	828	845	884
Non classified	2	0	0	1	4	4	0	0	0
Government	997	1,090	1,106	1,155	1,169	1,210	1,187	1,113	1,092
Federal	174	178	177	186	211	228	201	154	143
State	102	116	109	103	99	97	98	96	102
Local	721	796	820	866	859	885	888	863	847

<sup>1</sup>1996 annual average monthly employment data based on fourth quarter 1995 thru third quarter 1996. Note: Totals may not add due to rounding.

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



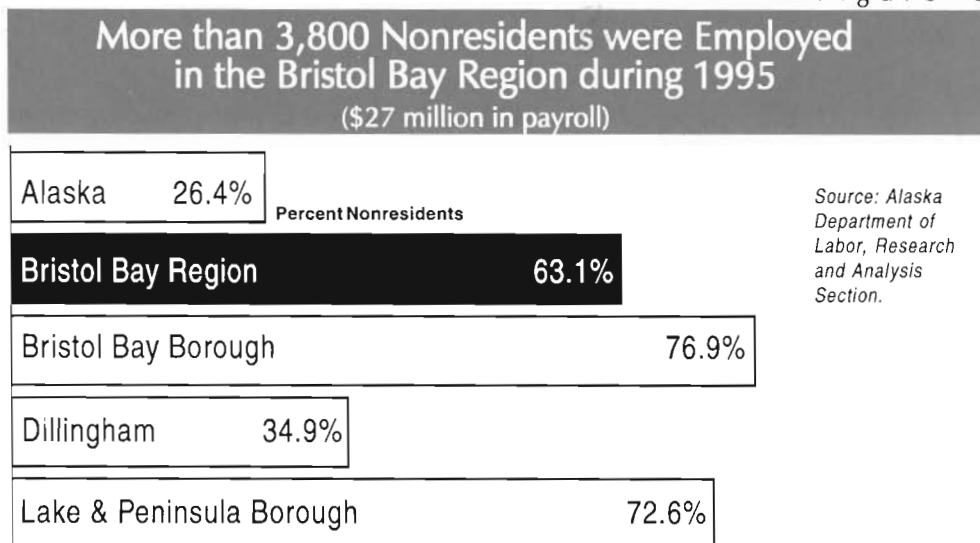
## Fishing drives employment opportunities

In 1996, almost 40 percent of direct employment in the Bristol Bay Region was in fisheries. (See Figure 1.) Said differently, nearly every other job in the Bay is either in harvesting or processing fish. The impact on employment indirectly related to the fishing industry, such as in transportation, retail, services, and the public sector, is less apparent, as is the multiplier effect the industry's expenditures have on the region's economy. If these factors were all included, far more than half of the employment in the Bay could be attributed to the fish harvest.

Beside the overall impact of the fishing industry on the regional economy, another unique characteristic of the regional workforce is the incredible story behind the actual work activity. Since the workforce numbers are based on annual averages, they mask the fact that nearly all of this fishing activity takes place during a six-to-eight-week period. A huge fish harvesting/processing army mobilizes for two months and then becomes almost dormant. This makes the region's workforce the most seasonal in the state. For example, in 1996 the annual average employment for fish processing was 813, but during the peak employment month of July it reached 3,139. Over a third of the region's fish processing effort occurs during that one month.

Total employment trends in the region also follow this strong seasonal pattern. In 1996, the annual average wage and salary employment for the region was 3,683, but the peak July employment was nearly double that number. If we were to include fish harvesting employment, the seasonality would even be more accentuated. Regrettably, harvesting employment is only produced intermittently. However, by multiplying the average number of crew members per boat times the number of boats fishing, the size of the short-lived Bristol Bay salmon fisher workforce grows to an estimated 6,300. Just like fish processing workers, the majority of the fishers typically arrive in the latter part of June and remain until early August.

Figure • 3



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

Table • 5

## Salmon Permit Holders in the Bristol Bay Region in 1995

Type of Permit	Total Number of Permits Issued	Non Residents	Alaska Residents	Bristol Bay Resident Permit Holders	Permits Owned by Bristol Bay Residents
Drift Gillnet	1,888	915	973	459	24.3%
Salmon Set Net	1,019	253	758	441	43.3%
Total	2,907	1,168	1,731	900	31.0%

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

During the past decade, employment in the fishing industry was relatively static, although harvest levels trended upwards. Because salmon harvesting became a limited entry fishery in 1975, the number of fishers allowed to harvest in this region became virtually restricted. Not only are the number of entrants fixed in this fishery, but the boat size and gear type used in the Bay are regulated as well.

More surprising is the fact that fish processing employment changes little over time. In 1988, the salmon harvest in the Bay was 104 million pounds versus 251 million pounds in 1995 (See Table 3.), but processing employment was nearly identical in both years. (See Table 4.) One reason this occurs is that the size of the existing processing plants puts a cap on employment. The constricted length of the season and unpredictable harvest levels partially explain why there is not more investment in additional fish processing

plants in the region. When large harvests occur, fish processing companies opt to work their employees longer hours or choose to ship product to other processing plants in the state. Moreover, more floating processors may be called on site for processing. Although some variation exists in fish processing employment, factors other than harvest determine industry employment levels.

What may fluctuate with harvest levels is the earnings of fishers and processing employees. In past years, usually the larger the harvest, the more the fishers earned. But recent years saw many exceptions to this tendency. For example, the ex-vessel value of the salmon harvested in the Bay exceeded \$194 million in 1988, although the harvest volume that year was the smallest during the past decade. A record average salmon price of \$1.86 per pound made this possible. (See Figure 2.) More exceptions of "the more the merrier" rule may transpire in the future as the world's

growing stock of farmed salmon continues to flood markets and depress prices. Although prices in Figure 2 don't appear low in comparison with the early 1980s, after adjusting for inflation they represent the lowest prices paid in more than two decades. The downturn in prices is presently one of the biggest challenges the region faces. But because the Bristol Bay fishing fleet is a high volume producer, Bay fishers may weather these lower prices better than other areas' harvesters.

### Huge economic leakages depress value of fisheries harvest

Although Bristol Bay represents one of the single largest fish harvests in the world and is worth hundreds of millions of dollars, most of the benefits of this rich commercial resource escape the region. This is because, since

Table • 6

## The Top 15 Employers in the Bristol Bay Region

<sup>1</sup>Average of fourth quarter 1995 thru third quarter 1996 employment data.

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

Rank	Name of Organization:	Average Annual Number of Employees 1996 <sup>1</sup>
1	Bristol Bay Area Health Corp.	304
2	Icicle Seafoods Inc.	251
3	Southwest Region Schools	197
4	Lake and Peninsula School District	153
5	Bristol Bay Native Association	115
6	Wards Cove Packing Company Inc. (seafood processing)	114
7	Dillingham City School District	95
8	Nelbro Packing Company (seafood processing)	86
9	Trident Seafoods Corporation	76
	Woodbine Alaska Fish Company	76
10	Bristol Bay Borough School District	69
11	Peninsula Airways Inc.	65
12	Omni Enterprises Inc. (grocery stores)	63
13	City of Dillingham	56
14	Bristol Bay Borough	51
15	Chignik Pride Fisheries	38

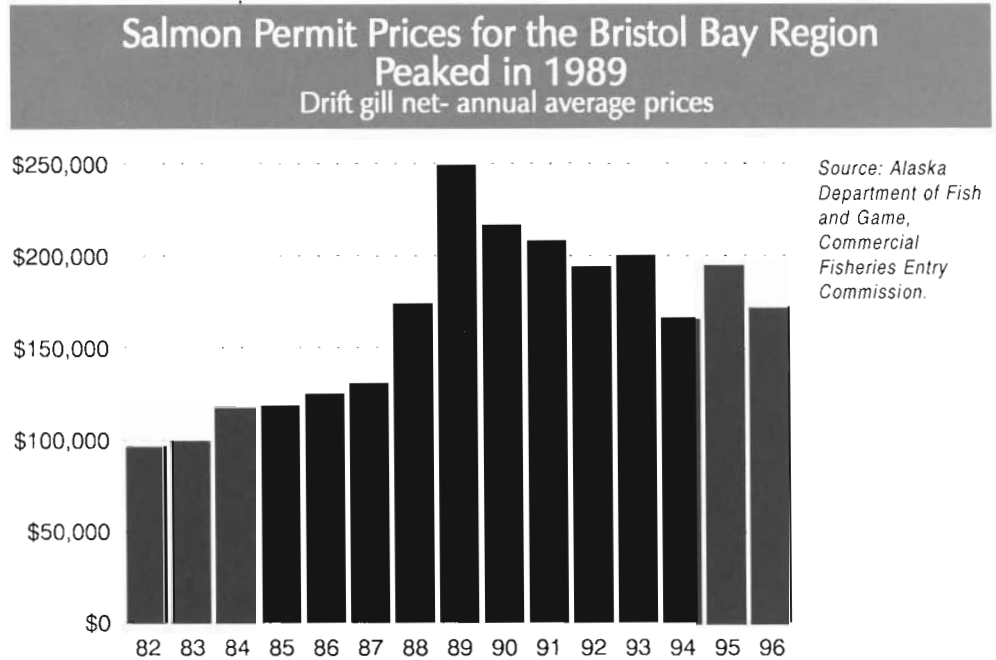
the fishery's inception, most of the fishers and processing workers who work in the region live elsewhere, and only a few of the fish processing plants are locally owned. During 1995, non-residents made up 76.9% of the wage and salary workforce in the Bristol Bay Borough and 72.6% in the Lake and Peninsula Borough. (See Figure 3.) These boroughs hosted the second and third largest nonresident workforces in the state.

Leakages of the harvest value are huge as well. In 1995, local residents owned fewer than a third of the salmon limited entry permits. (See Table 5.) Local residents own less than a quarter of the more valuable drift gill net permits. The erosion of permit ownership by Bristol Bay residents has been of concern for a while. In 1977, for example, 1,325 residents owned limited entry permits versus 900 today. Using an average crew of two to three workers for each permit adds up to over 1,000 potential jobs lost by local residents. One of the culprits is the dramatic rise in the price of permits. (See Figure 4.) In the drift gill net fishery, a boat and gear may require an investment of several hundred thousand dollars, a prohibitive proposition for a person getting started in the Bay. Economic leakages are not only limited to the fishing industry; they plague many industries in the region.

### Subsistence is another big economic force in the region

According to the Alaska Department of Fish and Game (ADF&G), subsistence harvests in Bristol Bay are among the highest in the state. Subsistence activity represents an important source of income as well as employment. To an extent, it helps offset the much higher cost of living in the region. Although salmon, moose and caribou are the most important subsistence resources, non-salmon fish, small game and berries are also important. Subsistence foods play a vital role in

Figure • 4



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

Table • 7

### Visitor Numbers to the Regional National Parks

	Katmai	1/ Brooks Camp	Lake Clark
1980	11,824	5,280	n/a
1981	13,115	5,386	n/a
1982	14,377	6,308	10,440
1983	11,182	6,396	12,332
1984	20,074	7,430	12,505
1985	25,142	6,412	12,701
1986	41,663	7,008	13,611
1987	38,212	8,401	16,418
1988	45,710	10,342	18,412
1989	40,247	9,892	14,879
1990	40,778	10,231	10,196
1991	41,417	10,791	4,133
1992	46,196	13,920	9,103
1993	53,274	13,392	12,153
1994	55,728	14,294	12,143
1995	n/a	13,159	12,698
1996	n/a	14,140	12,727

1/ Brooks Camp is located inside Katmai National Park.

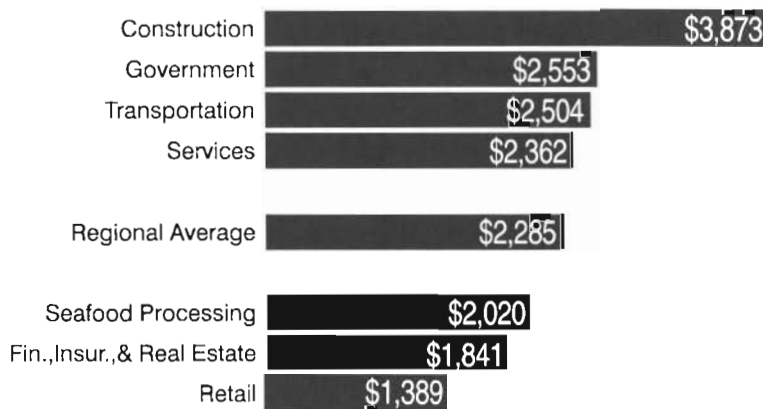
Source: Department of the Interior, National Park Service.

Figure • 5

## How Bristol Bay Region's Wage and Salary Picture Stacks Up

Average monthly wages (4th quarter 95 thru 3rd quarter 96)

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



the entire region's economy but are disproportionately more important in the smaller communities. In a majority of the smaller villages, more fish are harvested for subsistence than for commercial use. For example, according to an ADF&G survey, the average household in Nondalton harvested 4,887 pounds of fish for subsistence and only nine pounds for commercial use. Each household also harvested 931 pounds in game meat, 123 pounds in plants and 45 pounds in birds.

### The public sector is an important economic player

After fishing, the public sector is the largest employer in the region and contributes the largest wage and salary payroll. The biggest slice of the public sector's employment is local government, which translates into school district employment. Four of the top employers in the region are school districts. (See Table 6.) In many smaller communities, the school is one of only a handful of employers. State government's presence is small in the region, generating only 102 jobs. Federal government's is larger, but its importance has diminished during the past three years. Until 1994, King Salmon was home to the U. S. Air Force. When the base was closed, federal civilian employment and uniformed personnel dropped significantly. Presently, the Fed-

eral Aviation Administration and several land management agencies are the biggest federal government employers. Besides direct public sector employment, pass-through grants and transfer payments play a significant role in the region's economy.

### Tourism is growing

Bristol Bay region is home to several national parks, preserves, National Wildlife Refuges, state lands, and hundreds of miles of rivers that are used by recreationists. Lodges situated along the region's rivers, lakes and coast line cater to fishers, hunters and many other visitors. The single largest attraction is Katmai National Park that boasts more than 55,000 visitors per year. By all accounts, visitor numbers are growing. (See Table 7.) A number of businesses are looking to take advantage of this expansion, but the high costs of getting to the area have kept tourism numbers relatively small compared to the visitor numbers of other regions. As infrastructure improves and competition among air service and tour operators grows, these costs are declining. The visitor industry boosts air transportation, retail trade and services. However, like fishing, the economic leakages in this industry are considerable.

### The region's retail and services sectors are growing

Because of the under performance of the region's two largest economic sectors, fishing and direct public sector, employment has grown more slowly in Bristol Bay than in the rest of the state. But, in spite of this fact, it is surprising that employment has grown at all. (See Table 4.) Some of this growth is coming from the increase in visitor traffic; some from growth in the region's service and retail sectors. Since 1992, employment in retail trade has grown by over 100 jobs. Like elsewhere in the state, new retailers have entered

the region's market, while others expanded their operations.

Service industry employment also grew during this period. Much of this growth has been in health care. The largest single employer in the region is a service industry nonprofit organization, the Bristol Bay Area Health Corporation based in Dillingham. Another big employer in services is the Bristol Bay Native Association, a nonprofit social service agency. As the public sector devolves, these types of organizations will continue to grow. Because they are so prominent in the region, with wages better than most other service firms', the average monthly wage for a service industry job comes in above the area's overall average wage. (See Figure 5.)

### Small to larger communities describe a disparate economic picture

Although the Bristol Bay region represents a largely distinct geographic and integrated economic and social region of the state, a great deal of economic disparity is present in the region. Not surprisingly, most of the income variation exists between the region's larger and smaller communities. For example, Bristol Bay Borough's median household income of \$53,062 was not only the highest in the region, but also the third highest in the state. (See Table 2.) The only reason the Dillingham Census area's median household income comes close to the statewide figure is because of the overwhelming influence of the city of Dillingham. Lake and Peninsula Borough's income, at only 81 percent of the statewide median, is the lowest in the region, reflecting the lack of employment opportunities in small communities. In 1994, according to the Bureau of Economic Analysis, a U.S. Department of Commerce agency, over 23 percent of Lake and Peninsula's income comes from transfer payments compared to 17 percent statewide. Incomes in most of the other smaller communities fall considerably below not only the statewide average but the national average as well. When adjustments are made for the cost of living, this disparity becomes even more dramatic. But the

value of subsistence harvests might ameliorate some of this contrast.

In most of the region's smaller communities, at least a quarter of the families live below the poverty level. In several cases, more than half of a community's population lives below the poverty threshold. According to a 1993 U.S. Census Bureau estimate, 26.8% of all persons living in the Lake and Peninsula Borough were living in poverty. (See Table 2.) Like income, this number does not account for the greater cost of living. On the flip side, subsistence activity is also not included. The lack of employment, income, and business opportunities explains most of these differences. Low educational attainment also plays a role. Moreover, larger and younger households in the smaller communities have the effect of depressing income levels.

### A summary - fish help define Bristol Bay

The salmon fishery helps define Bristol Bay's cash and subsistence economy, history and culture. The Bay is not only home to the state's largest salmon fishery, but it represents one of the largest in the world. More than half the employment created in Bristol Bay is a direct result of the salmon fishery. The dependence on salmon and the recent low fish prices have many in the region concerned about their economic future. Although the public and not-for-profit sector, the visitor industry, transfer payments, and services sector have added some diversity to the economy, fishing continues to reign king. In fact, the region is venturing into other non-salmon fisheries that may help further diversify its economy. In the longer run, and possibly more important than fish prices, is the challenge for residents to find ways to capture more of the economic benefits these fisheries are already generating.

## Economy Springs Forward in April

Alaska's statewide not seasonally adjusted unemployment rate fell one-half of a percentage point in April to 8.3%. (See Table 4.) The 8.3% rate meant that 26,300 Alaskans were unemployed in April, 1,600 fewer than in March. Last April, the not seasonally adjusted unemployment rate in Alaska was slightly lower at 8.2%. April's unemployment statistics continued a recent pattern of stable unemployment rates. For the past nine months, the statewide jobless rate has been close to year-ago levels, indicating no significant change in unemployment trends.

On a seasonally adjusted basis, Alaska's unemployment rate increased one-tenth of a percentage point to 7.9%. (See bottom of Table 4.) While the seasonally adjusted unemployment rate increased slightly in April, the increase did not portend a different trend in unemployment. Since the beginning of 1996, the seasonally adjusted unemployment rate has stayed within a fairly

narrow band, between 7.5% and 7.9% unemployed.

### Urban areas drive April unemployment change

Alaska's urban areas drove the drop in April's not seasonally adjusted jobless rate. The five largest areas-Anchorage, Fairbanks North Star Borough, Kenai Peninsula Borough, Matanuska-Susitna Borough, and Juneau- all posted unemployment rate drops. If those areas are factored out, the balance of the state's unemployment rate held steady from March to April. (See Figure 1.)

Changing patterns of economic activity in April caused the different unemployment patterns between urban and rural Alaska. Urban areas of Alaska began gearing up for the tourism and construction seasons, and Southeast Alaska saw a boost in logging employment. Fisheries-related slowdowns in the Aleutians and Kodiak helped explain why unemployment outside of urban Alaska held steady. A slowdown in employment related to the winter fisheries was the prime cause of higher unemployment in those areas.

### Ketchikan's April rate not influenced by mill closure

The closure of the Ketchikan pulp mill at the end of March focused attention on the Ketch-

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Figure • 1

### Urban Areas Drive April Rate Drop March and April 1997 unemployment rates for Alaska's 5 largest areas compared to the rest of Alaska

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

		Unemployment Rate	
<b>Total</b>	March	8.8%	
	April	8.3%	
<b>Five Largest Areas</b>	March	8.4%	
	April	7.8%	
<b>Rest of State</b>	March	10.2%	
	April	10.2%	

ikan Gateway Borough's April unemployment rate. Somewhat surprisingly, though, Ketchikan's rate was not significantly influenced by the pulp mill closure. One contributing factor was that April's unemployment estimate was conducted during the week of April 12th, and a good portion of the mill employees were still on the payroll during the first half of the month.

### Nearly 4,000 jobs added in April

Wage and salary employment statistics helped explain the drop in the statewide unemployment rate. The total statewide wage and salary job count increased 3,800 over March. (See Table 1.) Job gains were broad based, with retailers, service providers, construction firms, and the transportation industry all contributing to job growth. Mining employment losses in March were in the oil and gas industry. Manufacturing employment losses were felt primarily in the Aleutians and on Kodiak Island as seafood processors geared back from the winter fishery.

Alaska's overall job count continues to move upward as evidenced by comparing this April's numbers to April 1996 numbers. The services sector continues to be the primary catalyst for job gains, with health care services accounting for a significant portion of the overall gain in services. Job losses in the oil and gas, timber and construction industries were the primary dampers on the state's job growth.

### Alaska falls to 20th place in per capita personal income ranking

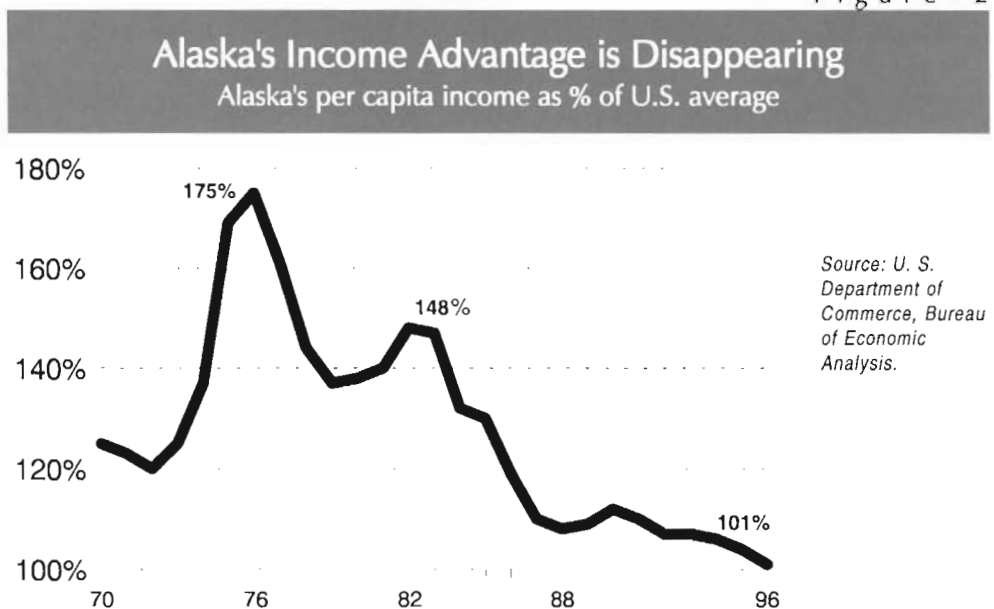
The U.S. Department of Commerce, Bureau of Economic Analysis, released the preliminary

1996 per capita personal income estimates at the end of April, and the news for Alaskans was not encouraging. At \$24,558, the state's per capita income rank fell seven places, to 20th among the states and the District of Columbia.

The ranking slide was precipitated by relatively slow income growth in Alaska during 1996. Alaska's statewide per capita income grew at a 2.1% rate from 1995 to 1996, the second slowest growth rate in the country. Only Hawaii's per capita income grew at a slower rate. Hawaii, Alaska and Wyoming were the only states in the nation where per capita income growth did not exceed the U.S. rate of inflation of 3.0%. Alaska's per capita income growth rate was also below the Anchorage inflation rate of 2.7%.

The slippage in per capita income ranking has been an ongoing phenomenon for Alaska since the mid-1980s. Historically, Alaska's per capita income was significantly higher than that of the rest of the U.S.; now it barely exceeds the national average. (See Figure 2.) A number of factors contributed to Alaska's recent slide in the per capita income rankings. Compared to the rest of the nation, Alaska is experiencing a period of relatively slow employment growth. Low unem-

Figure • 2



Source: U. S. Department of Commerce, Bureau of Economic Analysis.

Table • 1

## Nonagricultural Wage and Salary Employment by Place of Work

Alaska	p/		Changes from			Municipality of Anchorage	p/		Changes from		
	4/97	r/3/97	4/96	3/97	4/96		4/97	r/3/97	4/96	3/97	4/96
Total Nonag. Wage & Salary	257,300	253,500	256,600	3,800	700	Total Nonag. Wage & Salary	118,700	117,900	117,600	800	1,100
Goods-producing	34,900	34,400	36,200	500	-1,300	Goods-producing	9,100	8,900	9,600	200	-500
Service-producing	222,400	219,100	220,400	3,300	2,000	Service-producing	109,600	109,000	108,000	600	1,600
Mining	8,900	9,000	9,800	-100	-900	Mining	2,200	2,300	2,600	-100	-400
Construction	10,200	9,300	10,600	900	-400	Construction	5,000	4,700	5,100	300	-100
Manufacturing	15,800	16,100	15,800	-300	0	Manufacturing	1,900	1,900	1,900	0	0
Durable Goods	3,000	2,700	3,300	300	-300	Transportation	11,700	11,600	11,600	100	100
Lumber & Wood Products	1,900	1,700	2,200	200	-300	Air Transportation	4,700	4,700	4,500	0	200
Nondurable Goods	12,800	13,400	12,500	-600	300	Communications	2,400	2,400	2,200	0	200
Seafood Processing	9,900	10,400	9,400	-500	500	Trade	29,000	28,600	28,600	400	400
Pulp Mills	400	400	500	0	-100	Wholesale Trade	6,500	6,400	6,500	100	0
Transportation	22,200	21,600	21,800	600	400	Retail Trade	22,500	22,200	22,100	300	400
Trucking & Warehousing	2,700	2,600	2,700	100	0	Gen. Merch. & Apparel	4,200	4,000	4,100	200	100
Water Transportation	1,800	1,700	1,800	100	0	Food Stores	2,700	2,700	2,800	0	-100
Air Transportation	7,500	7,300	7,200	200	300	Eating & Drinking Places	8,000	8,000	7,800	0	200
Communications	3,800	3,800	3,700	0	100	Finance-Ins. & Real Estate	7,000	7,000	7,000	0	0
Trade	52,200	50,800	51,700	1,400	500	Services & Misc.	33,600	33,500	32,800	100	800
Wholesale Trade	8,600	8,500	8,500	100	100	Hotels & Lodging Places	2,400	2,400	2,400	0	0
Retail Trade	43,600	42,300	43,200	1,300	400	Business Services	5,900	5,900	5,700	0	200
Gen. Merch. & Apparel	8,300	7,900	8,300	400	0	Health Services	7,300	7,300	7,000	0	300
Food Stores	6,700	6,600	6,800	100	-100	Engineering & Mngmt. Serv.	5,000	4,900	5,000	100	0
Eating & Drinking Places	14,400	13,900	14,200	500	200	Government	28,300	28,300	28,000	0	300
Finance-Ins. & Real Estate	11,400	11,400	11,500	0	-100	Federal	9,800	9,800	9,900	0	-100
Services & Misc.	62,000	61,100	60,700	900	1,300	State	8,400	8,400	8,300	0	100
Hotels & Lodging Places	5,400	5,100	5,300	300	100	Local	10,100	10,100	9,800	0	300
Business Services	7,900	7,800	7,700	100	200						
Health Services	14,100	14,000	13,500	100	600						
Engineering & Mngmt. Serv.	7,400	7,300	7,300	100	100						
Government	74,600	74,200	74,700	400	-100						
Federal	16,800	16,700	17,100	100	-300						
State	22,300	22,100	22,300	200	0						
Local	35,500	35,400	35,300	100	200						

Table • 2

## Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/4/97	r/3/97	4/96	p/4/97	r/3/97	4/96	p/4/97	r/3/97	4/96
Mining	\$1,306.58	\$1,304.78	\$1,229.72	50.8	50.3	48.3	\$25.72	\$25.94	\$25.46
Construction	1,042.71	1,020.76	1,099.51	41.1	40.7	43.0	25.37	25.08	25.57
Manufacturing	466.22	581.59	475.58	40.4	57.3	43.0	11.54	10.15	11.06
Seafood Processing	363.74	519.79	360.24	41.1	63.7	45.6	8.85	8.16	7.90
Trans., Comm. & Utilities	613.33	635.25	666.22	32.4	33.7	34.2	18.93	18.85	19.48
Trade	413.95	418.32	413.49	33.6	33.6	33.4	12.32	12.45	12.38
Wholesale	613.03	625.92	621.00	38.1	38.4	37.5	16.09	16.30	16.56
Retail	374.42	376.20	372.94	32.7	32.6	32.6	11.45	11.54	11.44
Finance-Ins. & R.E.	505.14	523.01	495.22	35.8	36.6	36.2	14.11	14.29	13.68

Notes to Tables 1-3:

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

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

p/ denotes preliminary estimates.

r/ denotes revised estimates.

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

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



## Nonagricultural Wage and Salary Employment by Place of Work

	p/		Changes from				p/		Changes from:		
	4/97	3/97	4/96	3/97	4/96		4/97	3/97	4/96	3/97	4/96
<b>Southeast Region</b>						<b>Interior Region</b>					
Total Nonag. Wage & Salary	34,800	33,150	34,800	1,650	0	Total Nonag. Wage & Salary	35,650	34,350	35,350	1,300	300
Goods-producing	5,250	4,350	5,500	900	-250	Goods-producing	3,250	3,000	3,200	250	50
Service-producing	29,550	28,800	29,300	750	250	Service-producing	32,400	31,350	32,150	1,050	250
Mining	350	350	200	0	150	Mining	1,100	1,050	900	50	200
Construction	1,800	1,400	1,750	400	50	Construction	1,650	1,450	1,800	200	-150
Manufacturing	3,100	2,600	3,550	500	-450	Manufacturing	500	500	500	0	0
Durable Goods	1,500	1,200	1,750	300	-250	Transportation	2,750	2,650	2,650	100	100
Lumber & Wood Products	1,300	1,050	1,550	250	-250	Trade	7,050	6,700	7,000	350	50
Nondurable Goods	1,600	1,400	1,800	200	-200	Finance-Ins. & Real Estate	1,050	1,000	1,000	50	50
Seafood Processing	1,000	750	1,000	250	0	Services & Misc.	8,250	8,050	8,200	200	50
Pulp Mills	350	400	500	-50	-150	Government	13,300	12,950	13,300	350	0
Transportation	2,500	2,350	2,500	150	0	Federal	3,700	3,550	3,750	150	-50
Trade	6,200	6,000	6,200	200	0	State	4,950	4,850	4,950	100	0
Wholesale Trade	500	500	500	0	0	Local	4,650	4,550	4,600	100	50
Retail Trade	5,700	5,500	5,700	200	0	<b>Fairbanks North Star Borough</b>					
Finance-Ins. & Real Estate	1,400	1,350	1,400	50	0	Total Nonag. Wage & Salary	31,050	30,050	30,700	1,000	350
Services & Misc.	6,650	6,400	6,450	250	200	Goods-producing	2,800	2,550	2,700	250	100
Government	12,800	12,700	12,750	100	50	Service-producing	28,250	27,500	28,000	750	250
Federal	1,900	1,800	1,900	100	0	Mining	950	900	750	50	200
State	5,500	5,450	5,550	50	-50	Construction	1,350	1,200	1,500	150	-150
Local	5,400	5,450	5,300	-50	100	Manufacturing	500	450	450	50	50
<b>Anchorage/Mat-Su Region</b>						Transportation	2,300	2,200	2,150	100	150
Total Nonag. Wage & Salary	128,850	127,950	127,750	900	1,100	Trucking & Warehousing	550	550	550	0	0
Goods-producing	9,700	9,500	10,200	200	-500	Air Transportation	600	600	600	0	0
Service-producing	119,150	118,450	117,550	700	1,600	Communications	300	250	300	50	0
Mining	2,250	2,350	2,600	-100	-350	Trade	6,500	6,200	6,500	300	0
Construction	5,450	5,150	5,550	300	-100	Wholesale Trade	750	750	750	0	0
Manufacturing	2,000	2,000	2,050	0	-50	Retail Trade	5,750	5,450	5,750	300	0
Transportation	12,600	12,450	12,350	150	250	Gen. Merch. & Apparel	1,100	1,000	1,150	100	-50
Trade	31,550	31,100	31,200	450	350	Food Stores	700	700	700	0	0
Finance-Ins. & Real Estate	7,450	7,450	7,450	0	0	Eating & Drinking Places	2,100	1,850	2,100	250	0
Services & Misc.	36,150	36,100	35,350	50	800	Finance-Ins. & Real Estate	950	950	950	0	0
Government	31,400	31,350	31,200	50	200	Services & Misc.	7,550	7,400	7,450	150	100
Federal	10,000	9,950	10,100	50	-100	Government	10,950	10,750	10,950	200	0
State	9,300	9,250	9,150	50	150	Federal	3,150	3,050	3,200	100	-50
Local	12,100	12,150	11,950	-50	150	State	4,700	4,650	4,700	50	0
<b>Gulf Coast Region</b>						Local	3,100	3,050	3,050	50	50
Total Nonag. Wage & Salary	25,350	24,700	25,450	650	-100	<b>Southwest Region</b>					
Goods-producing	5,800	5,800	5,850	0	-50	Total Nonag. Wage & Salary	18,200	18,750	17,750	-550	450
Service-producing	19,550	18,900	19,600	650	-50	Goods-producing	6,250	7,000	5,850	-750	400
Mining	950	900	950	50	0	Service-producing	11,950	11,750	11,900	200	50
Construction	900	800	950	100	-50	Seafood Processing	6,100	6,800	5,650	-700	450
Manufacturing	3,950	4,100	3,950	-150	0	Government	5,550	5,500	5,600	50	-50
Seafood Processing	2,650	2,800	2,650	-150	0	Federal	400	450	450	-50	-50
Transportation	2,150	2,050	2,150	100	0	State	500	500	500	0	0
Trade	4,650	4,350	4,650	300	0	Local	4,650	4,550	4,650	100	0
Wholesale Trade	550	500	550	50	0	<b>Northern Region</b>					
Retail Trade	4,100	3,850	4,100	250	0	Total Nonag. Wage & Salary	14,400	14,600	15,350	-200	-950
Finance-Ins. & Real Estate	650	650	700	0	-50	Goods-producing	4,700	4,850	5,600	-150	-900
Services & Misc.	5,200	4,950	5,150	250	50	Service-producing	9,700	9,750	9,750	-50	-50
Government	6,900	6,900	6,950	0	-50	Mining	4,300	4,450	5,150	-150	-850
Federal	650	600	650	50	0	Government	4,650	4,650	4,700	0	-50
State	1,700	1,700	1,800	0	-100	Federal	200	200	200	0	0
Local	4,550	4,600	4,500	-50	50	State	300	300	300	0	0
						Local	4,150	4,150	4,200	0	-50

Table • 4

## Unemployment Rates by Region & Census Area

	Percent Unemployed			
	Not Seasonally Adjusted	p/ 4/97	r/ 3/97	4/96
<i>p/ denotes preliminary estimates</i>	<b>United States</b>	4.8	5.5	5.4
<i>r/ denotes revised estimates</i>	<b>Alaska Statewide</b>	8.3	8.8	8.2
<i>Benchmark: March 1996</i>	Anchorage/Mat-Su Region	6.8	7.3	6.7
	Municipality of Anchorage	5.8	6.2	5.7
<i>Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.</i>	<b>Mat-Su Borough</b>	11.9	13.1	12.3
	<b>Gulf Coast Region</b>	13.7	13.6	13.1
	Kenai Peninsula Borough	15.0	16.2	15.1
	Kodiak Island Borough	10.9	5.5	7.8
	Valdez-Cordova	12.5	13.2	12.4
	<b>Interior Region</b>	9.3	10.0	9.4
	Denali Borough	14.5	16.4	11.9
	Fairbanks North Star Borough	8.5	9.0	8.3
	Southeast Fairbanks	14.1	15.1	17.3
	Yukon-Koyukuk	16.0	19.7	20.3
<i>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 each month. Due to the scarcity of employment opportunities in rural Alaskan locations, many individuals do not meet the official definition of unemployed because they have not conducted an active job search. These individuals are considered not in the labor force.</i>	<b>Northern Region</b>	11.4	10.9	12.3
	Nome	13.8	12.1	15.4
	North Slope Borough	5.4	5.0	4.8
	Northwest Arctic Borough	16.4	17.6	18.3
	<b>Southeast Region</b>	8.0	9.7	7.6
	Haines Borough	12.8	15.5	12.9
	Juneau Borough	6.1	7.8	5.5
	Ketchikan Gateway Borough	8.9	9.5	8.9
	Pr. of Wales-Outer Ketchikan	13.2	17.0	12.5
	Sitka Borough	6.1	8.3	5.8
<i>Source: Alaska Department of Labor, Research and Analysis Section.</i>	Skagway-Hoonah-Angoon	9.6	7.7	7.3
	Wrangell-Petersburg	9.4	13.3	11.2
	Yakutat Borough	12.1	7.9	6.9
	<b>Southwest Region</b>	7.7	7.0	8.6
	Aleutians East Borough	3.4	1.7	3.6
	Aleutians West	4.5	3.1	3.2
	Bethel	8.3	8.4	11.3
	Bristol Bay Borough	11.7	10.5	8.2
	Dillingham	7.3	6.5	10.0
	Lake & Peninsula Borough	9.1	6.4	7.1
Wade Hampton	13.0	11.6	11.1	
	<b>Seasonally Adjusted</b>			
	United States	4.9	5.2	5.5
	Alaska Statewide	7.9	7.8	7.9

ployment rates in nearly every state have meant steady increases in wages for workers in many parts of the country. Meanwhile, the loss of high-wage jobs, particularly in the oil and gas sector and timber industry, has slowed the rate of increase in Alaska earnings. During 1996, earnings of those who worked in Alaska grew at a 2.5% rate, less than half of the national average growth rate of 5.7%. Every sector of Alaska's economy had earnings below the national rate: mining (which includes oil and gas), manufacturing, retail trade and the financial sector all notably lagged behind their national counterparts' rates of earnings growth.

### Summary: Economy gets seasonal boost in April

Alaska's economy anticipated another active summer in April. The state's urban areas led the way to a gain of 4,000 wage and salary jobs. The unemployment rate dropped a half a percentage point statewide in April.

# Alaska Employment Service

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Anchorage: Phone 269-4800

Bethel: Phone 543-2210

Dillingham: Phone 842-5579

Eagle River: Phone 694-6904/07

Mat-Su: Phone 352-2500

Fairbanks: Phone 451-5967

Glennallen: Phone 822-3350

Kotzebue: Phone 442-3280

Nome: Phone 443-2626/2460

Tok: Phone 883-5629

Valdez: Phone 835-4910

Kenai: Phone 283-2927

Homer: Phone 235-7791

Kodiak: Phone 486-3105

Seward: Phone 224-5276

Juneau: Phone 465-4562

Petersburg: Phone 772-3791

Sitka: Phone 747-3347/3423/6921

Ketchikan: Phone 225-3181/82/83



The Alaska Department of Labor shall foster and promote the welfare of the wage earners of the state and improve their working conditions and advance their opportunities for profitable employment.