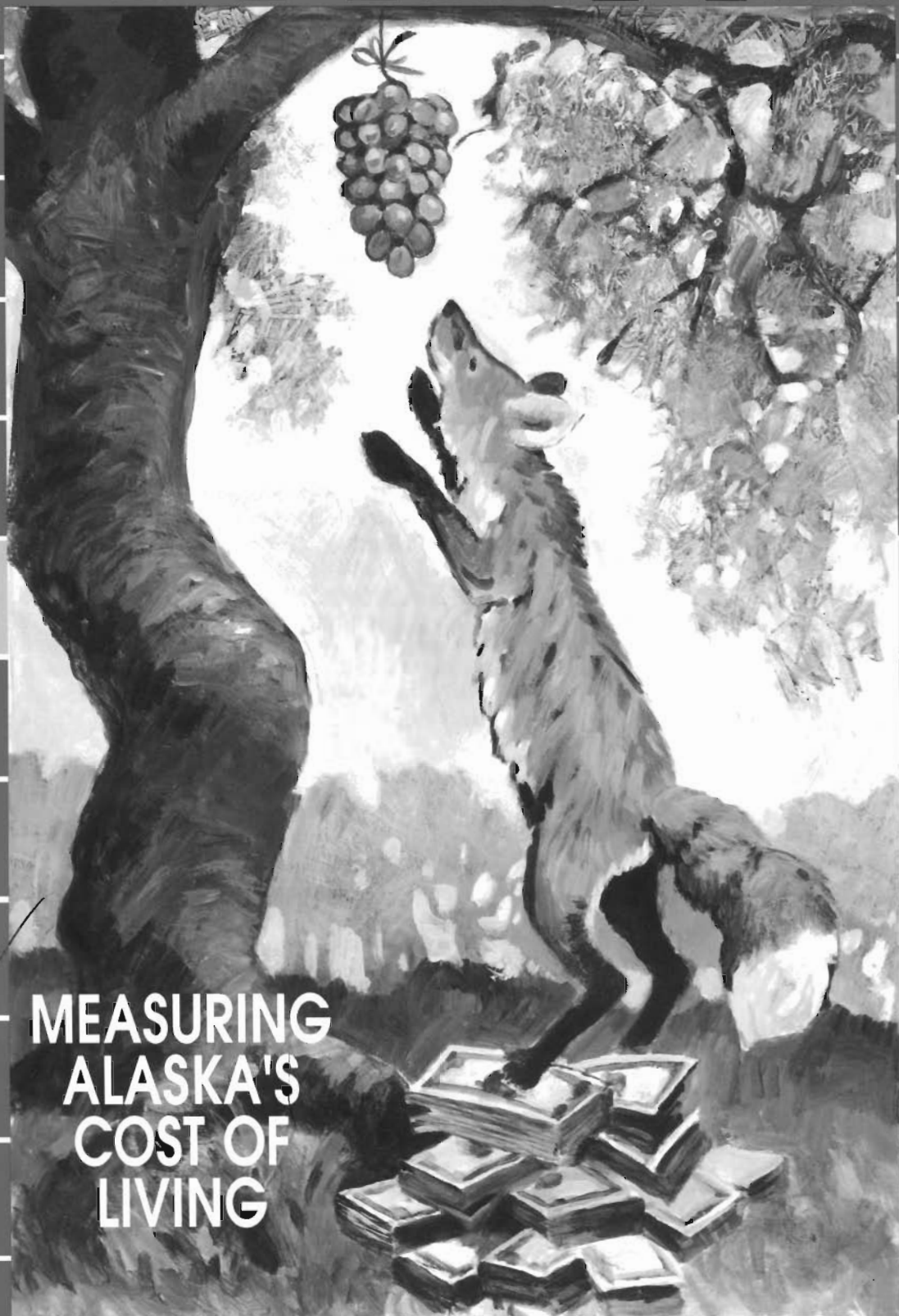


TRENDS



**MEASURING
ALASKA'S
COST OF
LIVING**

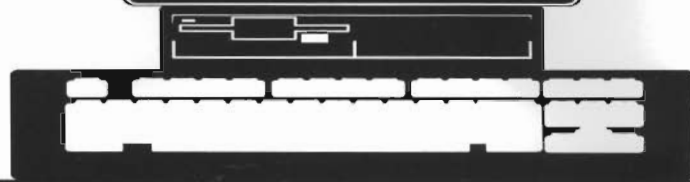
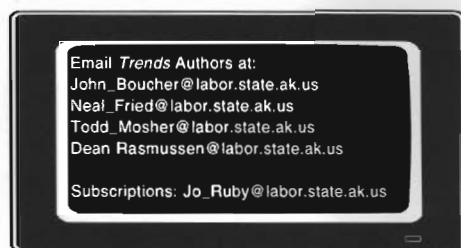
June
1996

SUMMER 1995 NEW HIRES
SEND MIXED SIGNALS

HIGHLIGHTS: ALASKA WAGE
RATES 1995

FIRST QUARTER ENDS IN THE
BLACK

ALASKA ECONOMIC TRENDS



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Measuring Alaska's Cost of Living

by John Boucher

How expensive is it to live in Alaska? How much has Alaska's cost of living increased? These are two of the most frequently asked questions of the Alaska Department of Labor's Research and Analysis section. In answer to these questions, this article provides some of the latest cost-of-living measurements available for Alaska and explains the uses and limitations of these data.

A measure of inflation or cost differentials?

Two types of cost-of-living measurements are available for Alaska. If you are interested in how prices have changed in a particular place, commonly referred to as the inflation rate, you should use the Consumer Price Index (CPI). If you're interested in cost differences between two places—"Is it more expensive to live in Fairbanks than in Seattle?"—then a cost-of-living measurement like the American Chamber of Commerce Researchers Association (ACCRA) index or the Runzheimer International study would best suit your needs.

Be aware of the method and the market basket

Since it is too expensive to price every item available to purchase, cost-of-living surveys track prices of a sample of items from common expenditure categories (such as housing expenses, medical expenses, food expenses, etc.). This sample of items is called the survey's market basket. Most surveys gear their market baskets toward a "typical" consumer.

When using a cost-of-living survey, it's a good idea to know what the survey's market basket is, and whose buying habits the survey simulates. All surveys give a list of the items in the market basket and define the type of consumer(s) the market basket represents. For example, the CPI for All Urban Consumers (CPI-U) is designed to represent

consumption patterns of 80% of all urban consumers in the nation. The other surveys in this article have a narrower focus.

The CPI—the nation's inflation measure

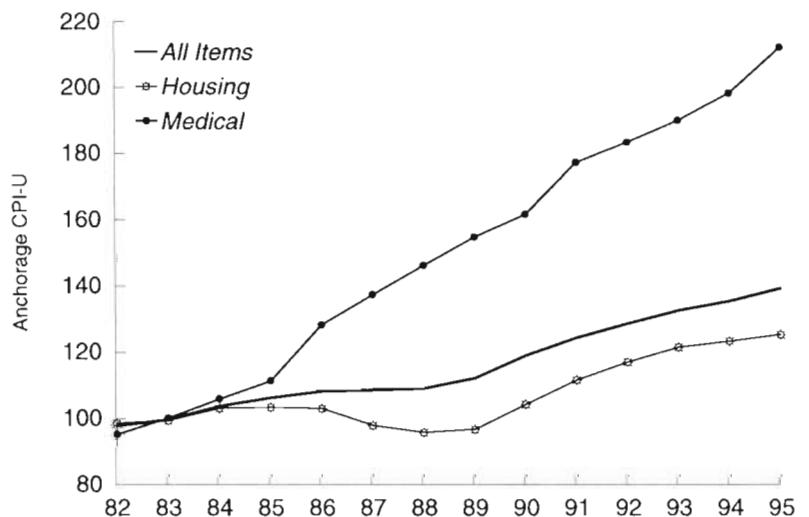
The majority of requests for Alaska's cost of living ask about the inflation rate. The CPI is a national survey designed to answer questions about price changes. This CPI information is often used to adjust rents, wages or other monetary payments for the effects of inflation.

To produce the CPI, the U.S. Department of Labor's Bureau of Labor Statistics (BLS) gathers prices in 85 metropolitan areas throughout the country. Anchorage is the only city in Alaska surveyed; consequently, the Anchorage CPI is the only "Alaskan" inflation measure. Unfortunately, Anchorage's inflation rate may not reflect

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Figure • 1

Anchorage Medical Costs Outpace Housing Costs



Source: U.S. Department of Labor, Bureau of Labor Statistics.

T a b l e • 1

Consumer Price Index—All Urban Consumers (CPI-U)
U.S. City Average—All Items and Anchorage,
Alaska—All Items, Annual Averages, 1960-1995

Year	U.S. Average	Percent Change from Prev. Yr.	Anchorage Average	Percent Change from Prev. Yr.
1960	29.6	--	34.0	--
1961	29.9	1.0	34.5	1.5
1962	30.2	1.0	34.7	0.6
1963	30.6	1.3	34.8	0.3
1964	31.0	1.3	35.0	0.6
1965	31.5	1.6	35.3	0.9
1966	32.4	2.9	36.3	2.8
1967	33.4	3.1	37.2	2.5
1968	34.8	4.2	38.1	2.4
1969	36.7	5.5	39.6	3.9
1970	38.8	5.7	41.1	3.8
1971	40.5	4.4	42.3	2.9
1972	41.8	3.2	43.4	2.6
1973	44.4	6.2	45.3	4.4
1974	49.3	11.0	50.2	10.8
1975	53.8	9.1	57.1	13.7
1976	56.9	5.8	61.5	7.7
1977	60.6	6.5	65.6	6.7
1978	65.2	7.6	70.2	7.0
1979	72.6	11.3	77.6	10.5
1980	82.4	13.5	85.5	10.2
1981	90.9	10.3	92.4	8.1
1982	96.5	6.2	97.4	5.4
1983	99.6	3.2	99.2	1.8
1984	103.9	4.3	103.3	4.1
1985	107.6	3.6	105.8	2.4
1986	109.6	1.9	107.8	1.9
1987	113.6	3.6	108.2	0.4
1988	118.3	4.1	108.6	0.4
1989	124.0	4.8	111.7	2.9
1990	130.7	5.4	118.6	6.2
1991	136.2	4.2	124.0	4.6
1992	140.3	3.0	128.2	3.4
1993	144.5	3.0	132.2	3.1
1994	148.2	2.6	135.0	2.1
1995	152.4	2.8	138.9	2.9
2nd half '90	132.6	5.8	120.4	7.0
2nd half '91	137.2	3.5	124.7	3.6
2nd half '92	141.4	3.1	129.1	3.5
2nd half '93	145.3	2.8	132.8	2.9
2nd half '94	149.3	2.8	135.8	2.3
2nd half '95	153.3	2.7	139.5	2.7

Notes: 1982-84 = 100. CPIs not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

price changes in every area of the state. In general, however, Anchorage price trends reflect changes in the cost of living for most Alaskans. If the Anchorage CPI doesn't adequately measure inflation in your area, you can choose a different area to measure inflation. Some users prefer to use Seattle's CPI, for example. But as a matter of practice, most Alaskan users prefer to use the Anchorage CPI rather than another area's CPI.

From an official standpoint, the BLS recommends using the national CPI-U (U.S. City Average) to adjust for the effects of inflation. The BLS recommends this because the smaller size of the local area samples makes them more prone to measurement errors. When you compare the Anchorage and the U.S. City CPIs since 1960, inflation has been significantly lower in Anchorage during the last 30 years than it has been in the rest of the nation. (See Table 1.) This is predominantly due to the difference in the rate of inflation for housing costs in Anchorage compared to the other areas in the CPI survey.

Housing key to Anchorage inflation rate

Analyzing inflation rates among expenditure categories can help clarify how different parts of the market basket affect the overall CPI. (See Table 2.) For example, since the early 1980s medical care costs have risen more rapidly than has the overall Anchorage CPI, while housing costs have tended to lag behind the overall rate of inflation. (See Figure 1.)

While medical care costs have shot up in recent years, overall inflation has not followed. That's because the average consumer spends a much smaller amount on medical care than on housing. When the CPI is calculated, each commodity group is given a weight—its contribution to the overall cost of living. Medical care costs, for example, accounted for 5.9% of the total cost of living in the December 1995 index. Housing costs, on the other hand, accounted for 39.8% of the Anchorage CPI during the same period. (See Figure 2.)

Selected Components of the CPI-U
U.S. City Average and Anchorage, Alaska—1983-1995 Annual Averages

ALL ITEMS LESS SHELTER					HOUSING			
Year	U.S. Average	Pct. Chg. from Prev. Yr.	Anchorage Average	Pct. Chg. from Prev. Yr.	U.S. Average	Pct. Chg. from Prev. Yr.	Anchorage Average	Pct. Chg. from Prev. Yr.
1983	99.8	3.7	99.9	3.7	99.5	2.7	99.0	0.8
1984	103.9	4.1	103.8	3.9	103.6	4.1	102.7	3.7
1985	107.0	3.0	107.5	3.6	107.7	4.0	103.0	0.3
1986	108.0	0.9	111.2	3.4	110.9	3.0	102.6	-0.4
1987	111.6	3.3	115.1	3.5	114.2	3.0	97.5	-5.0
1988	115.9	3.9	117.8	2.3	118.5	3.8	95.4	-2.2
1989	121.6	4.9	122.3	3.8	123.0	3.8	96.3	0.9
1990	128.2	5.4	128.0	4.7	128.5	4.5	103.9	7.9
1991	133.5	4.1	131.9	3.0	133.6	4.0	111.2	7.0
1992	137.3	2.8	134.6	2.0	137.5	2.9	116.6	4.9
1993	141.4	3.0	137.9	2.5	141.2	2.7	121.1	3.9
1994	144.8	2.4	140.3	1.7	144.8	2.5	122.9	1.5
1995	148.6	2.6	144.6	3.1	148.5	2.6	124.9	1.6

TRANSPORTATION					FOOD & BEVERAGES			
Year	U.S. Average	Pct. Chg. from Prev. Yr.	Anchorage Average	Pct. Chg. from Prev. Yr.	U.S. Average	Pct. Chg. from Prev. Yr.	Anchorage Average	Pct. Chg. from Prev. Yr.
1983	99.3	2.4	98.5	1.8	99.5	2.3	99.7	2.6
1984	103.7	4.4	104.6	6.2	103.2	3.7	103.2	3.5
1985	106.4	2.6	108.2	3.4	105.6	2.3	106.2	2.9
1986	102.3	-3.9	107.8	-0.4	109.1	3.3	110.8	4.3
1987	105.4	3.0	111.3	3.2	113.5	4.0	113.1	2.1
1988	108.7	3.1	113.0	1.5	118.2	4.1	113.8	0.6
1989	114.1	5.0	116.7	3.3	124.9	5.7	117.2	3.0
1990	120.5	5.6	120.7	3.4	132.1	5.8	123.7	5.5
1991	123.8	2.7	121.7	0.8	136.8	3.6	127.7	3.2
1992	126.5	2.2	123.3	1.3	138.7	1.4	130.3	2.0
1993	130.4	3.1	128.8	4.5	141.6	2.1	131.2	0.7
1994	134.3	3.0	136.9	6.3	144.9	2.3	131.9	0.5
1995	139.1	3.6	143.8	5.0	148.9	2.8	138.5	5.0

MEDICAL CARE					APPAREL & UPKEEP			
Year	U.S. Average	Pct. Chg. from Prev. Yr.	Anchorage Average	Pct. Chg. from Prev. Yr.	U.S. Average	Pct. Chg. from Prev. Yr.	Anchorage Average	Pct. Chg. from Prev. Yr.
1983	100.6	8.8	99.7	5.2	100.2	2.5	101.6	5.2
1984	106.8	6.2	105.5	5.8	102.1	1.9	101.7	0.1
1985	113.5	6.3	110.9	5.1	105.0	2.8	105.8	4.0
1986	122.0	7.5	127.8	15.2	105.9	0.9	109.0	3.0
1987	130.1	6.6	137.0	7.2	110.6	4.4	116.6	7.0
1988	138.6	6.5	145.8	6.4	115.4	4.3	119.1	2.1
1989	149.3	7.7	154.4	5.9	118.6	2.8	125.0	5.0
1990	162.8	9.0	161.2	4.4	124.1	4.6	127.7	2.2
1991	177.0	8.7	173.5	7.6	128.7	3.7	126.6	-0.9
1992	190.1	7.4	183.0	5.5	131.9	2.5	130.2	2.8
1993	201.4	5.9	189.6	3.6	133.7	1.4	131.2	0.8
1994	211.0	4.8	197.8	4.3	133.4	-0.2	128.9	-1.8
1995	220.5	4.5	211.6	7.0	132.0	-1.0	130.0	0.9

Source: U.S. Department of Labor, Bureau of Labor Statistics

T a b l e • 3

Cost of Food for a Week in 19 Alaskan Communities—December 1994

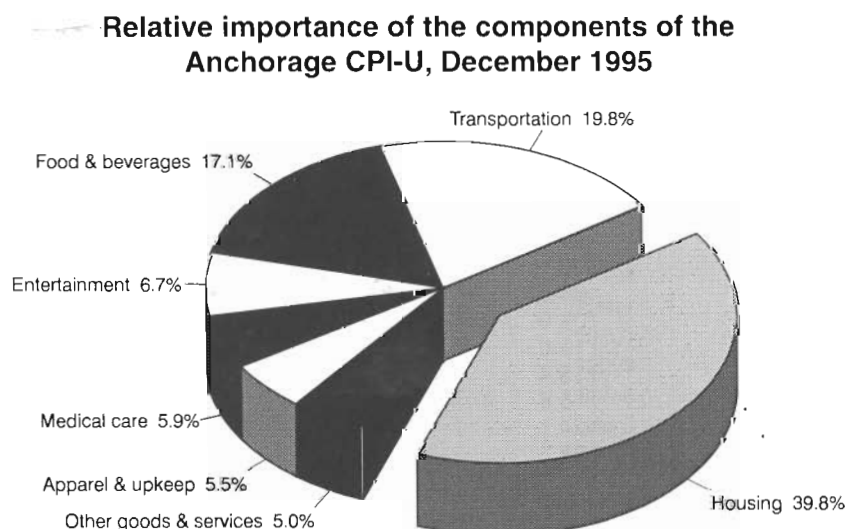
Community	Cost of Food, One Week	Pct. of Anchorage
Anchorage	\$ 93.22	100
Bethel	141.19	151
Cordova	140.14	150
Delta	113.15	121
Dillingham	157.09	169
Fairbanks	97.75	105
Homer	119.55	128
Juneau	100.17	107
Kenai	106.54	114
Ketchikan	98.50	106
Kodiak	119.29	128
MatSu	106.27	114
Nome	155.80	167
Petersburg	109.95	118
Sitka	105.72	113
Stebbins	217.96	234
Tanana	187.70	201
Tok	125.26	134
Wrangell	112.68	121

Notes: Costs are for a family of four with elementary school children. Sales tax included in food cost.

Source: "Cost of Food at Home for a Week," December 1995, University of Alaska Cooperative Extension Service. U.S. Department of Agriculture and SEA Grant Cooperating.

F i g u r e • 2

Housing Nearly 40% of Anchorage CPI-U



Note: Percentage totals may not add to 100% due to rounding.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

The strong influence that housing costs have on the overall Anchorage CPI has been particularly noticeable the last ten years. From 1986 to 1988, falling housing costs offset increases in other components of the CPI, resulting in low inflation during these three years. The increase in inflation in Anchorage during the early 1990s was largely due to a tightening housing market. When the housing component jumped from a 0.9% increase in 1989 to a 7.9% increase in 1990, Anchorage inflation followed suit, going from a 2.9% to a 6.2% increase. From 1990 to 1993, a tighter housing market propelled Anchorage's inflation rate above the rest of the nation's. Recently, Anchorage's housing market has cooled off substantially and inflation has followed suit.

The housing component is unique in the CPI, especially in regard to home-ownership costs. The CPI uses a method called *rental equivalency* which assumes that the consumer has just purchased or rented a home. To gauge housing expenditures, this method can have some shortcomings. In areas where housing prices and/or rents are changing rapidly, the inflation rate for the housing portion of the CPI could be exaggerated for homeowners who have a long-term fixed-rate mortgage. This is because their monthly house payments tend not to fluctuate to the extent that house prices and rents do. For this reason, the overall CPI figures can understate inflation for home owners during periods of rapidly declining house prices. The opposite is true during a period of rapidly increasing house prices and rents. To measure inflation without the housing component, BLS publishes a special index which excludes housing-related costs—the All Items Less Shelter index. (See Table 2.) When comparing the national All Items Less Shelter index to the Anchorage All Items Less Shelter index, there is a much smaller difference in the rate of inflation between national and Anchorage consumers over the long term than is indicated by comparing the All-Items indexes.

CPI measures inflation—not costs between locations

Users of the CPI should be aware of a common misinterpretation of this index. It oc-

Cost of Food at Home for a Week in Eight Alaskan Cities, 1978-1995

Month/ Year	Anch.	Fbks.	Pct. of Anch.	Juneau	Pct. of Anch.	Bethel	Pct. of Anch.	Nome	Pct. of Anch.	Kodiak	Pct. of Anch.	Kenai	Pct. of Anch.	Tok	Pct. of Anch.
9/78	\$76.67	\$84.15	109.8	\$73.72	96.2	\$114.05	148.8	\$118.85	155.0	-	-	\$82.48	107.6	-	-
9/79	82.18	89.39	108.8	74.88	91.1	129.16	157.2	128.67	156.6	-	-	100.41	122.2	-	-
9/80	88.44	90.54	102.4	85.92	97.2	130.87	148.0	131.14	148.3	\$99.42	112.4	120.84	136.6	\$108.82	123.0
9/81	86.69	98.47	113.6	93.95	108.4	138.66	159.9	150.27	173.3	-	-	-	-	114.8	132.4
9/82	77.3	92.09	119.1	99.98	129.3	125.5	162.4	149.04	192.8	-	-	-	-	-	-
9/83	81.66	83.79	102.6	88.62	108.5	128.3	157.1	130.14	159.4	104.94	128.5	86.98	106.5	-	-
9/84	84.22	91.26	108.4	91.66	108.8	136.54	162.1	142.07	168.7	115.97	137.7	87.97	104.5	121.66	144.5
9/85	89.06	90.08	101.1	106.61	119.7	138.13	155.1	152.41	171.1	108.17	121.5	91.47	102.7	116.19	130.5
9/86	87.25	90.61	103.9	87.65	100.5	137.96	158.1	142.04	162.8	105.49	120.9	92.78	106.3	124.18	142.3
9/87	88.9	85.12	95.7	88.24	99.3	140.81	158.4	147.96	166.4	104.39	117.4	96.95	109.1	117.51	132.2
9/88	90.99	94.74	104.1	92.95	102.2	137.57	151.2	147.69	162.3	116.68	128.2	95.53	105.0	119.69	131.5
9/89	93.8	94.33	100.6	96.73	103.1	140.65	149.9	-	-	124.61	132.8	104.2	111.1	139.43	148.6
9/90	98.73	103.49	104.8	100.86	102.2	146.92	148.8	155.48	157.5	154.55	156.5	103.21	104.5	131.03	132.7
9/91	102.84	114.65	111.5	104.21	101.3	152.49	148.3	150.29	146.1	127.96	124.4	111.88	108.8	143.45	139.5
9/92	100.46	92.31	91.9	102.62	102.2	142.51	141.9	158.08	157.4	124.61	124.0	109.6	109.1	132.94	132.3
9/93	97.89	93.42	95.4	103.7	105.9	147.84	151.0	145.94	149.1	125.19	127.9	111.61	114.0	136.96	139.9
9/94	91.32	94.96	104.0	104.09	114.0	133.47	146.2	140.22	153.5	123.99	135.8	105.51	115.5	140.78	154.2
9/95	89.30	93.26	104.4	99.38	111.3	140.68	157.5	148.55	166.3	123.04	137.8	102.48	114.8	122.89	137.6

curs when users compare CPI numbers among areas. For example, at 138.9, the annual average Anchorage CPI for 1995 is lower than the United States' average of 152.4. This does not mean that Anchorage has a lower cost of living than the rest of the United States. The CPI measures inflation, not costs. The lower Anchorage CPI for 1995 means that Anchorage prices have not risen as quickly as prices in the rest of the U.S. since the early 1980s. (The base period, or when the two indexes equaled 100, is 1982-84.)

Some place-to-place comparisons—each with different results

There are different studies available to compare living costs between places. Due primarily to methodology differences, each survey shows a different result when comparing living costs between locations.

One available cost-of-living measurement is the University of Alaska's Cost of Food at Home study. It measures the cost to feed various-sized families in different locations in Alaska. The food basket provides a minimum level of nutrition to an individual or

family at the lowest possible cost. The report also contains comparative information on some utility and fuel costs. One of its strengths is wide geographic coverage of Alaska over a relatively long period of time. For many years, the Cost of Food at Home Study has provided a comparative measure for Alaskan locations that no other cost survey covers. Its primary weakness is that it only measures food and some utility costs. Food and utility costs alone can't provide a complete cost-of-living differential measurement.

Comparing living costs between Alaskan communities is complicated by several factors. Some goods and services available in urban areas are not readily available in rural areas. The buying habits of urban residents can vary dramatically from rural residents, which can confuse cost-of-living comparisons. The contributions of subsistence hunting and fishing to a household food budget can also complicate cost-of-living comparisons. The Cost of Food survey assumes that all foods are purchased in the local community—none is acquired through subsistence means or from merchants outside of the community.

Notes: Family of four with elementary school children.

Sales tax included in food prices.

September 1979 data for Kenai not available. December 1979 data substituted.

- Data unavailable.

Source: "Cost of Food at Home for a Week," September 1978 to September 1995. University of Alaska Cooperative Extension Service, U.S. Department of Agriculture and SEA Grant Cooperating.

ACCRA Cost of Living Index 20 Highest Cost Urban Areas—Fourth Quarter 1995

City	All Items Index	Grocery Items	Housing	Utilities	Transport- ation	Health Care	Misc. Goods & Services
New York, NY	219.7	145.3	422.2	124.5	129.0	207.1	134.1
Honolulu, HI	177.4	163.4	292.2	144.9	130.4	132.9	115.5
San Francisco, CA	172.0	120.7	309.0	99.5	127.8	176.9	109.3
Marin County, CA	160.5	119.1	268.3	101.8	120.1	146.8	116.8
Kodiak, AK	150.0	159.2	157.0	189.9	111.1	168.1	137.2
San Mateo County, CA	149.8	111.8	242.1	99.5	129.7	147.0	108.0
Boston, MA	138.9	118.7	185.2	165.6	124.8	136.5	107.1
Westchester County, NY	138.8	118.9	176.9	166.9	128.8	120.3	115.3
Juneau, AK	136.6	126.1	153.3	168.2	117.7	160.4	120.6
Framingham-Natick, MA	133.8	111.8	170.2	181.6	114.6	135.2	106.9
Santa Rosa, CA	129.9	107.6	173.7	101.3	121.6	131.0	112.4
Philadelphia, PA	127.4	115.5	144.6	193.7	118.8	99.1	110.0
Fairbanks, AK	126.3	125.5	128.3	140.1	108.0	170.9	118.4
Anchorage, AK	125.6	122.9	133.7	102.2	109.7	175.8	120.9
Washington, DC	123.4	120.2	156.5	115.9	124.1	112.9	100.5
Los Alamos, NM	122.8	107.3	164.3	83.9	115.0	120.4	107.1
Hilton Head Island, SC	121.0	98.2	163.9	89.3	104.0	102.1	111.4
San Diego, CA	120.2	112.8	150.7	80.8	127.7	115.9	106.2
Boulder, CO	119.1	105.7	162.4	97.3	103.1	116.1	99.1
Los Angeles-Long Beach, CA	116.7	112.6	137.3	91.2	107.2	118.7	109.5

Ranking of Alaska Cities by Category

Anchorage, AK	13	6	21	125	35	3	3
Fairbanks, AK	12	5	24	13	48	4	5
Juneau, AK	9	4	15	4	26	6	4
Kodiak, AK	5	2	13	2	13	5	1

Source: American Chamber of Commerce Researchers Association, Urban Area Index Data, 4th Quarter 1995 (311 Urban Areas surveyed).

Food costs are higher in rural Alaska

Table 3 shows the cost of food for a week for a family of four with elementary school children for 19 communities. The December 1995 figures showed that Anchorage had the lowest food costs of the areas surveyed, followed by Fairbanks, Ketchikan and Juneau. The survey has consistently shown that larger cities in Alaska have food costs which are fairly comparable to those in Anchorage.

Overall, food costs tend to have three tiers in Alaska. The largest urban areas have the lowest food costs. Smaller communities on a major distribution system like a road or the Alaska Marine Highway tend to have slightly higher costs than the urban areas. The

Cost of Food at Home survey has consistently shown that the highest food costs are found in isolated communities supplied primarily by air. In places such as Bethel, Dillingham and Nome, food costs are 50 to 70 percent higher than in Anchorage.

The urban/rural cost differential in the Cost of Food at Home study presents an interesting contrast between Alaska and other areas of the United States. Other surveys show that in the Lower 48, large urban areas tend to have higher living costs, including food costs, than less populated areas. The opposite is true in Alaska. The cost of food and other basics such as fuel are higher in rural Alaskan communities than in the state's urban centers.

ACCRA Cost of Living Index for Selected Cities—Fourth Quarter 1995

Region/City	All Items Index	Grocery Items	Housing	Utilities	Transport- ation	Health Care	Misc. Goods & Services
West							
Anchorage, AK	125.6	122.9	133.7	102.2	109.7	175.8	120.9
Fairbanks, AK	126.3	125.5	128.3	140.1	108.0	170.9	118.4
Juneau, AK	136.6	126.1	153.3	68.2	117.7	160.4	120.6
Kodiak, AK	150.0	159.2	157.0	189.9	111.1	168.1	137.2
Boise, ID	101.3	94.5	109.8	81.9	97.6	114.5	100.6
Las Vegas, NV	102.0	106.7	104.3	72.6	122.2	116.2	96.7
Portland, OR	107.7	97.6	122.8	77.0	109.0	123.8	103.9
San Francisco, CA	172.0	120.7	309.0	99.5	127.8	176.9	109.3
Tacoma, WA	101.2	108.4	99.2	70.7	112.7	139.0	96.9
Southwest/Mountain							
Dallas, TX	98.2	97.1	89.1	104.6	105.6	107.5	101.1
Denver, CO	103.9	96.5	113.2	96.7	108.1	122.1	96.8
Phoenix, AZ	101.4	104.3	93.6	107.6	111.7	116.9	99.4
Santa Fe, NM	110.8	102.6	123.0	111.2	120.3	108.0	102.2
Midwest							
Columbus, OH	107.3	103.9	120.4	95.7	106.1	96.8	102.8
Oklahoma City, OK	92.3	94.0	73.7	112.4	90.2	93.5	102.6
Omaha, NE	89.3	93.2	87.1	84.3	101.2	90.3	87.1
Southeast							
Atlanta, GA	99.2	101.6	95.0	105.3	98.2	109.6	98.4
Baton Rouge, LA	98.5	101.6	87.6	121.0	104.5	97.0	99.5
Birmingham, AL	98.7	93.7	93.8	113.9	99.0	103.8	100.5
Miami, FL	109.3	102.3	111.0	112.2	104.2	119.6	110.2
Raleigh, NC	100.3	100.1	100.0	108.7	93.3	99.0	100.8
Atlantic/New England							
Manchester, NH	109.2	98.0	116.3	139.4	104.3	111.8	102.1
Philadelphia, PA	127.4	115.5	144.6	193.7	118.8	99.1	110.0

Another interesting point about this survey is that the three-tier structure of food costs in Alaska has not changed much during the last 15 years. Table 4 shows the difference in the cost of food between Anchorage and other Alaskan communities. It also shows the changes in costs over time within several communities in the study. One interesting point is that many areas of the state that experienced a substantial increase in retail capacity are seeing their food costs decrease. Anchorage, Fairbanks, Juneau, Kenai, and

Tok all saw the cost of food at home decrease from 1991 to 1995.

ACCRA places Alaskan cities among most expensive

Another cost-of-living measure is provided by the American Chamber of Commerce Researchers Association (ACCRA). The ACCRA cost-of-living study compares costs for roughly 300 cities in the United States,

Source: American Chamber of Commerce Researchers Association, Urban Area Index Data, 4th Quarter 1995 (311 Urban Areas surveyed).

**Average Price for Selected Goods and Services
in Selected U.S. Cities—4th Quarter 1995**

Region/City	1 lb. Ground Beef	1/2 gal. Whole Milk	1 doz. Grade A Lg. Eggs	1 lb. Coffee	2 BR Apt. Rent (Unfurn. ex. utils.)	House Purchase Price	Total Energy Cost	1 gal. Gas	Hospital Room	Office Visit Doctor	McDonald's Quarter pounder w/ cheese	Men's Levis 501/505
West												
Anchorage, AK	\$1.34	\$2.19	\$1.38	\$3.54	\$750	\$175,483	\$114	\$1.20	\$684	\$79.80	\$2.44	\$32.99
Fairbanks, AK	1.65	1.99	1.45	3.38	684	169,000	158	1.27	479	75.50	2.30	40.00
Juneau, AK	1.43	1.97	0.99	3.57	997	195,350	195	1.29	400	60.60	2.70	31.15
Kodiak, AK	2.09	2.36	1.56	4.99	1,050	197,500	215	1.50	530	65.00	2.75	33.63
Boise, ID	1.29	1.30	0.93	3.28	689	141,871	87	1.16	448	50.00	1.94	30.39
Las Vegas, NV	1.39	1.58	1.27	3.34	701	132,613	80	1.29	330	52.40	1.00	29.33
Portland, OR	1.43	1.45	0.98	3.39	715	162,500	77	1.29	476	51.60	1.97	28.18
San Francisco, CA	1.81	1.59	1.99	3.76	1,178	416,601	105	1.28	1,120	60.71	1.00	36.49
Tacoma, WA	1.43	1.55	1.07	3.33	602	129,500	71	1.29	373	55.40	1.00	31.39
Southwest/Mountain												
Dallas, TX	1.64	1.32	1.02	2.70	684	110,852	115	1.09	426	46.20	1.92	31.80
Denver, CO	1.31	1.79	0.92	3.29	695	151,196	102	1.16	474	57.86	1.89	29.99
Phoenix, AZ	1.44	1.57	0.97	3.36	613	121,458	117	1.18	446	43.50	1.95	31.15
Santa Fe, NM	1.35	1.27	0.81	3.19	716	166,875	120	1.27	305	44.80	1.99	31.22
Midwest												
Columbus, OH	1.51	1.41	0.99	3.27	618	162,137	100	1.12	315	44.60	1.87	36.79
Oklahoma City, OK	1.03	1.34	0.73	2.86	499	92,756	121	1.00	262	41.70	1.76	29.79
Omaha, NE	1.20	1.36	0.84	2.88	480	116,150	86	1.12	309	36.00	1.00	30.49
Southeast												
Atlanta, GA	1.79	1.22	0.87	3.11	623	125,450	111	0.93	319	50.00	2.03	28.39
Baton Rouge, LA	1.38	1.42	1.01	3.39	509	115,900	131	1.12	354	42.44	1.75	29.39
Birmingham, AL	1.15	1.44	0.93	2.62	545	125,000	120	1.10	436	47.17	1.66	33.39
Miami, FL	2.36	1.42	0.92	2.79	774	140,196	124	1.23	479	61.00	2.07	34.39
Raleigh, NC	1.56	1.48	1.04	2.81	553	134,671	118	1.07	298	48.43	1.94	31.30
Northeast/Atlantic												
Manchester, NH	1.49	1.19	0.92	2.69	610	159,000	155	1.14	456	46.67	1.00	36.66
Philadelphia, PA	1.94	1.29	1.01	3.26	720	191,490	224	1.25	451	40.00	2.00	35.00
ALL CITIES MEAN 1/	1.37	1.41	0.96	3.02	553	133,190	107	1.13	375	44.67	1.75	31.79

Notes: n/a - Not available.

1/ All cities mean is the arithmetic mean price of all 311 cities in the 4th quarter 1995 survey.

Source: American Chamber of Commerce Researchers Association, Cost of Living Index, Average Price Data. (311 Urban Areas surveyed.) 4th quarter 1995.

including several in Alaska. The ACCRA study is intended to replicate the consumption patterns of a mid-management executive's household.

In the ACCRA study, a standardized list of 59 items is priced during a fixed period of time. The average price data for every urban area are then converted into an index number for each expenditure category. Because of the limited number of items priced, percentage differences between areas should not be treated as exact measures. Small differences should not be construed as significant, or even as a correct indication of which area is the more expensive. Aside from the limited number of items priced, the ACCRA index also does not take state and local taxes

into account. This is in part due to the difficulty in reliably measuring an area's tax burden.

Four Alaskan cities are included in the most recently published ACCRA study (fourth quarter 1995)—Anchorage, Fairbanks, Juneau, and Kodiak. The fourth quarter 1995 ACCRA data show that the Alaskan cities are among the 15 highest cost areas surveyed. (See Table 5.) Anchorage had the lowest index of the Alaskan cities in the ACCRA study; however, the difference between Anchorage and Fairbanks was relatively small. According to the index, Anchorage, Fairbanks and Juneau all have a cost of living roughly 25-35 percent higher than the all-cities' average. Kodiak was 50% higher than the all-cities' average.

Runzheimer International Living Cost Standards December 1995

Region/City	Total Costs	Pct. of Std. City	Taxation	Pct. of Std. City	Trans- portation	Pct. of Std. City	Housing	Pct. of Std. City	Misc. Goods & Services, Other	Pct. of Std. City
West										
State of Alaska, Composite	\$34,962	109.3	\$6,382	88.8	\$3,635	113.3	\$12,807	120.5	\$12,138	110.6
Anchorage, AK	33,625	105.1	6,454	89.8	3,705	115.5	11,515	108.3	11,951	108.9
Fairbanks, AK	34,040	106.4	6,338	88.2	3,653	113.9	11,842	111.4	12,207	111.2
Juneau, AK	37,220	116.3	6,355	88.4	3,547	110.6	15,063	141.7	12,255	111.7
Boise, ID	30,735	96.0	6,864	95.5	3,057	95.3	10,317	97.1	10,497	95.7
Las Vegas, NV	31,502	98.4	6,235	86.7	3,891	121.3	10,664	100.3	10,712	97.6
Portland, OR	32,916	102.9	7,229	100.6	3,248	101.2	11,494	108.1	10,945	99.7
San Francisco, CA	47,391	148.1	6,905	96.0	4,543	141.6	24,533	230.8	11,410	104.0
Seattle, WA	34,064	106.5	6,769	94.2	3,640	113.5	12,722	119.7	10,933	99.6
Southwest/Mountain										
Dallas, TX	30,316	94.7	7,327	101.9	3,592	112.0	8,633	81.2	10,764	98.1
Denver, CO	31,705	99.1	6,532	90.9	3,586	111.8	10,752	101.1	10,835	98.7
Phoenix, AZ	30,381	94.9	6,780	94.3	3,750	116.9	9,106	85.7	10,745	97.9
Santa Fe, NM	34,065	106.5	5,857	81.5	3,362	104.8	14,252	134.1	10,594	96.5
Midwest										
Omaha, NE	31,252	97.7	7,908	110.0	3,118	97.2	9,794	92.1	10,432	95.1
Oklahoma City, OK	29,298	91.6	7,214	100.3	3,246	101.2	7,988	75.1	10,850	98.9
Southeast										
Baton Rouge, LA	28,938	90.4	6,131	85.3	3,679	114.7	8,781	82.6	10,347	94.3
Birmingham, AL	31,542	98.6	7,046	98.0	3,067	95.6	11,018	103.7	10,411	94.9
Miami, FL	31,476	98.4	7,292	101.4	3,739	116.6	9,782	92.0	10,663	97.2
Raleigh, NC	31,463	98.3	7,723	107.4	2,975	92.7	10,412	97.9	10,353	94.3
Atlantic/New England										
Philadelphia, PA	36,474	114.0	8,848	123.1	3,821	119.1	12,278	115.5	11,527	105.0
STANDARD CITY, USA	32,000	—	7,189	—	3,208	—	10,630	—	10,973	—

The four Alaska cities in the ACCRA study were among the highest cost cities surveyed for several of the six major components of the ACCRA index. Kodiak had the highest index for miscellaneous goods and services costs, and was the second highest cost area for groceries and utilities costs.

ACCRA points to a smaller difference in housing costs

Housing costs have always been thought of as exceptionally high in Alaska. Although they are high, the ACCRA housing index shows that some areas in the nation, particularly large urban areas, have comparable or much higher housing costs. Generally, the

lowest rankings for Alaska's cities were in the ACCRA transportation index. The Anchorage utilities index was lower than one-third of the cities in the ACCRA study.

Comparative figures for Alaskan cities and other cities around the nation are presented in Tables 6 and 7. Table 6 shows the ACCRA cost-of-living indexes, while Table 7 contains prices for some of the goods and services in the ACCRA study.

The ACCRA cost-of-living study is designed for spending patterns found in major American urban centers. The data collected in the pricing survey attempt to match the items found in urban areas. This process tends to ignore spending patterns found in atypical

Source: Runzheimer's Living Cost Index, December 1995.

areas. For example, the transportation costs in the ACCRA study include items such as bus fare, the price of a gallon of gasoline, and automobile wheel balancing. This is problematic for Alaskan communities because air transportation is a more common, and more expensive, mode of travel.

Runzheimer study shows smaller cost-of-living differential

A slightly different approach to calculating living cost differences between cities is taken in the Runzheimer Living Cost Standards survey. Runzheimer International, a private research firm contracted by the Alaska Department of Labor's (AKDOL) Workers' Compensation Division, looked at the comparative income necessary to maintain a certain standard of living in different areas of the country as of December 1995. Runzheimer's approach takes into account certain elements left out of the ACCRA cost-of-living measure, such as an area's tax rates.

In the AKDOL Runzheimer study, a "base" family was created—two parents and two children. They own their home, a recently purchased 1,500-square-foot, single-family home with three bedrooms and 1.5 baths. They drive one automobile, a 1992 Ford Tempo, approximately 16,000 miles annually. This family has an income of \$32,000 in Standard City, a fictitious city which has costs close to the median of all the cities in the survey. The standard of living attainable in Standard City was then priced in each of the surveyed areas.

The AKDOL Runzheimer survey shows that Anchorage, Fairbanks, and Juneau have a moderately higher cost of living than the other areas surveyed. The cost of living in these three Alaska locations ranges from 5.1% to 16.3% above Standard City. (See Table 8.) For comparison purposes, many, but not all, of the cities which appear in the ACCRA data in Tables 6 and 7 are included in the Runzheimer data in Table 8.

Lower taxes contribute to lower living costs

The component indexes of the Alaskan cities in the Runzheimer study range from 10 to 20 percent above the average cost of living except the taxation component. The Runzheimer study indicates that the portion of income that goes to taxes in Alaska is about 12 to 13 percent below the average in Standard City. This is the main reason why the Runzheimer index does not show Anchorage's, Fairbanks', and Juneau's living costs as high as the cost of purchasing goods and services would indicate. Another factor to remember is that Runzheimer does not take into account a program like Alaska's Permanent Fund Dividend. If every member of the fictitious Runzheimer family received an Alaska Permanent Fund check, that would add about \$3,700 to the household's pre-tax income. This amounts to a significant reduction in the overall tax burden on Alaskans.

Runzheimer report for DOA indicates narrowing cost differences

In January 1995, under contract with the Alaska Department of Administration

Figure • 3

Construction Materials Cost More in Rural Alaska Selected Construction Materials Costs, April 1995



Source: Alaska Housing Market Indicators, 4th Quarter 1994.
Alaska Housing Finance Corporation, Alaska Department of Labor, Research and Analysis Section.

Runzheimer International Living Cost Standards for 19 Alaskan Locations and Seattle January 1995

City	Total Costs	Pct. of Std. City	Taxation	Pct. of Std. City	Trans- portation	Pct. of Std. City	Housing	Pct. of Std. City	Misc. Goods & Services, Other	Pct. of Std. City
Anchorage	\$40,743	104.3	\$7,993	84.5	\$5,193	116.0	\$ 8,898	113.2	\$18,659	108.1
Bethel	46,665	119.5	9,057	95.7	5,555	124.1	12,528	159.4	19,525	113.2
Dillingham	44,959	115.1	7,703	81.4	5,528	123.5	11,900	151.4	19,828	114.9
Dutch Harbor/Unalaska	47,305	121.1	7,852	83.0	5,093	113.8	14,263	181.5	20,097	116.5
Fairbanks	41,755	106.9	7,987	84.4	5,187	115.9	9,643	122.7	18,938	109.8
Haines	40,401	103.5	8,104	85.6	5,143	114.9	7,549	96.1	19,605	113.6
Juneau	44,046	112.8	8,264	87.3	4,922	109.9	11,860	150.9	19,000	110.1
Kenai	39,461	101.0	8,060	85.2	5,006	111.8	7,732	98.4	18,663	108.2
Ketchikan	46,502	119.1	8,620	91.1	5,173	115.5	13,646	173.7	19,063	110.5
Kodiak	44,289	113.4	7,982	84.3	5,180	115.7	12,109	154.1	19,018	110.2
Kotzebue	45,204	115.8	8,241	87.1	5,970	133.3	11,472	146.0	19,521	113.1
McGrath	42,702	109.3	6,899	72.9	5,846	130.6	10,410	132.5	19,547	113.3
Nome	43,145	110.5	8,039	84.9	5,709	127.5	10,177	129.5	19,220	111.4
Palmer	42,568	109.0	8,465	89.4	4,872	108.8	10,246	130.4	18,985	110.0
Petersburg	43,506	111.4	8,153	86.1	5,150	115.0	10,808	137.5	19,395	112.4
Seattle	40,740	104.3	8,779	92.8	5,374	120.0	9,346	118.9	17,241	99.9
Seward	42,010	107.6	8,059	85.2	5,073	113.3	10,090	128.4	18,788	108.9
Sitka	44,570	114.1	7,615	80.5	5,113	114.2	12,358	157.3	19,484	112.9
St. Mary's	46,719	119.6	7,550	79.8	6,104	136.3	12,908	164.3	20,157	116.8
Valdez	44,541	114.1	8,334	88.1	5,026	112.3	12,008	152.8	19,173	111.1
STANDARD CITY, USA	39,053	--	9,464	--	4,477	--	7,858	--	17,254	--

Source: Runzheimer's Living Cost Index, January 1995.

(AKDOA), Division of Personnel/Office of EEO, Runzheimer International performed a cost-of-living study for 19 locations in Alaska and Seattle. (See Table 9.) The study's purpose was to update the basis for the geographic pay differential system paid to employees of the State of Alaska.

The AKDOA Runzheimer study differed from the AKDOL Runzheimer study in several aspects. First, the "base" families are different in the two studies. In the AKDOA's Runzheimer study, the four-person family earns \$40,740, they own their home, which is a 1,000-square-foot, single-family home with three bedrooms and one bath. They are a two-car family, driving a 1991 Chevrolet Lumina 14,000 miles annually and a second car, 6,000 miles a year.

One weakness in taking the Runzheimer approach in remote Alaskan locations is that residents of these locations may not typically consume goods and services in the same pattern that a typical household would. For

example, a family owning two cars driven 20,000 miles annually is typical in most places in the country. In many Alaskan locations, the lack of a road system prohibits that kind of transportation consumption. An aircraft, boat or snowmachine might be a more typical way of getting from one place to another.

The AKDOA Runzheimer study results indicated that the cost of living in most Alaskan locations has changed substantially since the last time a geographic differential study was performed in 1985. The AKDOA Runzheimer results also pointed to a narrower range of cost-of-living differentials than other surveys have indicated. While a 1985 Geographic Differential Study performed by the McDowell Group showed a cost-of-living differential of more than 30 percent between Anchorage and some Alaskan locations, the 1995 Runzheimer study showed the greatest differences to be around 15 percent. It should be kept in mind that this is somewhat of an "apples to oranges" comparison. The 1985 report priced a

larger number of items in a greater number of areas and customized the market basket to each area studied.

Construction costs somewhat follow other surveys

In April of 1995, the AKDOL's Research and Analysis Section conducted the third annual survey of the cost of a market basket of construction materials. The survey, commissioned by the Alaska Housing Finance Corporation (AHFC), was intended to measure the cost of acquiring building materials necessary to construct a single-family residence at various locations in Alaska. The construction materials priced represent approximately 30 percent of the total dollar value of a materials list for constructing a model single-family residence.

Construction materials costs at eight Alaskan locations were measured, with some of the same patterns evident in other surveys showing in the results. (See Figure 3.) Like the other surveys, rural locations tended to have the highest costs. One notable difference about this survey is that Juneau showed the lowest cost for construction materials. No other survey showed Juneau to have the lowest costs for any items priced.

Summary: no single answer to cost-of-living question

When looking at cost-of-living information, first decide what type of comparison needs to be made. Are you interested in how prices have changed over time, or how costs differ between places? The answer narrows the field of appropriate cost-of-living surveys.

Next, decide on the suitability of different surveys—some surveys look at subsets of the total cost-of-living package, such as the Cost of Food at Home survey or the AHFC construction cost survey. Some surveys might look at a population unlike the one being studied. The ACCRA survey's mid-management family does not reflect the cost of living for poverty income families.

In Alaska, particularly in smaller communities, survey choices are few. Only the Cost of Food at Home and the January 1995 Runzheimer survey conducted for AKDOA include much more than the three largest Alaska cities. These surveys have their limitations in the scope or appropriateness of the goods priced. For this reason, users might be forced to use an index which only approximates cost-of-living differences.

Given their limitations, most cost-of-living indexes involve a compromise answer. Still, the indexes in this article provide baseline information to help answer these questions. When used with care, the information can help you compare how far your dollar will go.

Summer 1995 New Hires Send Mixed Signals

by Todd Mosher

The Alaska New Hires Quarterly Report identifies seasonal hiring patterns of Alaska employers by industries, regions, and occupation groups. The report assists employment services personnel and job-seekers as they anticipate entry opportunities for the upcoming quarter. Although new hires totals vary from year to year, when coupled with what is known about projected large business start-ups and closures and occupational trends, employment services personnel can make fairly accurate projections of entry opportunities for the upcoming season. A *new hire* is defined as an employee who was not working for the employer during any of the previous four quarters. A new hire represents either a new job or the turnover of an existing job, excluding seasonal rehires from the previous year.

In the summer of 1995, Alaskan employers welcomed 74,524 new hires to their payrolls, 1,334 more than in the previous quarter, and about the same as in the previous summer. (See Table 1.) However, when viewed from an industry perspective, the summer new hires picture was considerably different from 1994.

Manufacturing and small industry new hires were up from 1994, but services and retail floundered

Compared to the previous summer, 1995 summer new hires were substantially higher in mining (including oil and gas extraction), manufacturing, tourism-related transportation, and wholesale trade. Conversely, the larger retail and services sectors (other than hotels and lodging) had 3.7% and 2.9% fewer summer new hires, respectively. The finance, insurance and real estate industry also had significantly fewer new hires than the previous summer. The net effect was a wash, with 1995 summer new hires down by a total of 94,

or only 0.1%, from the summer of 1994. With Alaska Department of Labor economists projecting nearly 3.0 percent fewer seafood processing jobs and continued slower job growth in services and trade¹, new hires for this coming summer could fall somewhat below 1994 and 1995 levels.

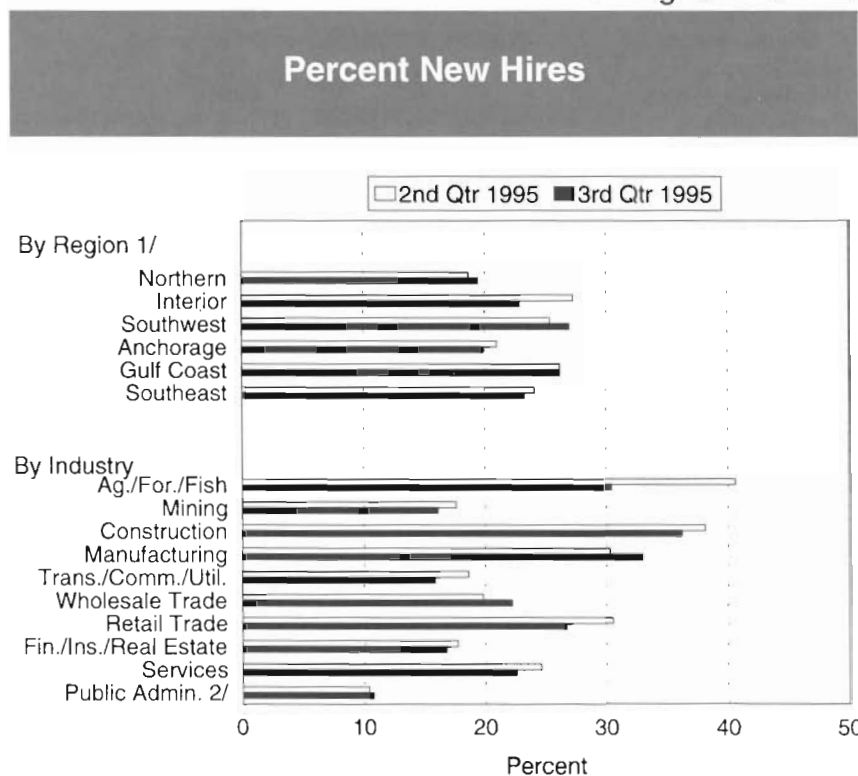
Construction, seafood processing new hires hit four-quarter peak

Construction and seafood processing new hires hit seasonal highs in third quarter 1995, accounting for 18,101, or 24.3%, of all summer new hires. (See Table 2.) Construction new hires were up by 1,144, or 14.5%, from spring levels; seafood processing new

¹ See May 1996 issue of *Alaska Economic Trends*.

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Figure • 1



1/ An employee's region is determined by his or her place of employment.
2/ Includes all employees of publicly-owned institutions.

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

T a b l e • 1

Alaska New Hires 3rd Quarter 1995

	3rd Qtr 95	Change from 2nd Qtr 95	Change from 3rd Qtr 94 1/
Total New Hires 2/	74,524	1,334	-94
By Region 3/			
Northern	4,296	367	-83
Interior	10,523	-1,273	349
Southwest	7,212	1,193	117
Anchorage	29,480	-676	-350
Gulf Coast	10,586	919	-7
Southeast	10,979	414	242
Offshore	825	274	47
Outside	520	130	-65
Unknown	103	-14	-344
By Industry			
Ag./Forestry/Fishing	777	-203	-81
Mining	2,073	-91	463
Oil & Gas Extraction	1,700	-57	415
All Other	373	-31	48
Construction	9,052	1,144	-33
Manufacturing	11,172	3,436	696
Seafood Processing	9,249	3,582	527
All Other	1,923	-146	169
Trans./Comm./Util.	4,802	-769	-63
Tourism Related	1,114	-711	93
All Other	3,688	-58	-156
Wholesale Trade	2,434	495	244
Retail Trade	17,517	-1,743	-678
Fin./Ins./Real Estate	2,230	-60	-404
Services	17,949	-963	-382
Hotels & Lodging	2,782	-1,192	66
All Other	15,167	229	-448
Public Admin. 4/	6,516	86	143

Notes: New hires figures include turnover and should not be used to assess job growth trends.

1/ Changes from previous summer reflect slight downward revisions in 3rd Quarter 1994 new hires totals.

2/ A "new hire" is defined as an employee that was hired by the firm in the report quarter and has not been employed by the firm during any of the previous four quarters.

3/ An employee's region is determined by his or her actual place of employment.

4/ Includes all employees of publicly-owned institutions.

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

hires were up by 3,582, or 63.2%. Wholesale trade also peaked in the summer with 2,434 new hires, up 495 from spring. New hires in all other industries, with the exception of public administration, peaked in the spring, but maintained higher than fall and winter levels during the summer quarter.

Anchorage and Interior new hires slowed slightly from spring to summer

Anchorage and Interior region new hires were at their highest four-quarter level in the spring of 1995 (See Table 2.), whereas all other major regions peaked in the summer. Anchorage and the Interior are more heavily influenced by a broader range of seasonal tourist-related economic activity and agriculture than are other regions of the state. These industries tend to hire somewhat larger numbers of new employees during the preparatory spring months than they do in the summer.

Over 22 percent of employers' 1995 summer payrolls were newly hired workers

In the summer of 1995, 22.3% of all workers appearing at any time during the quarter on Alaskan employers' payrolls were newly hired. This was very close to the previous summer's rate of 22.6%. The percent new hires rate varied greatly by industry and region. (See Figure 1.) In third quarter 1995, the percent new hires rate was highest in the Southwest and Gulf Coast regions, primarily because of the high turnover rate and sharply seasonal nature of the seafood processing industry. Less than 20% of 1995 seafood processing summer new hires were recipients of a Permanent Fund Dividend in 1994 and/or 1995, implying that over 80% were nonresidents of Alaska or were relatively new to the state. (See Figure 2.) Only 1,622, or 18%, of third quarter 1995 seafood processing new hires had Alaska wage and salary employment during the previous summer; and only 855 of those worked for a seafood processing employer in the summer of 1994.

Top occupations for new hires differed by region

Table 3 displays the number of third quarter 1995 new hires by occupation group for each major region of Alaska. Shading indicates the occupation group was in the top 20 for new hires in the region. Several occupation groups appeared on the top 20 lists of all six major regions. However, the importance of these occupations, relative to the size of the regional economies, varied greatly. For example, the Anchorage region had 413 new hires in the fabricators, assemblers, and hand-working occupations group, good enough to put it near the middle of its top 20 list. However, these workers made up a smaller share of Anchorage's new hires than in the Southwest, Gulf Coast, or Southeast regions, where new hires in this category were five to seven times greater than in Anchorage.

Some occupation groups were a significant source of new hires in some regions, but not in others. For example, forestry and logging occupations new hires were the sixth highest category in Southeast Alaska, were near the bottom of the top 20 in the Gulf Coast region, and were insignificant in the rest of the state.

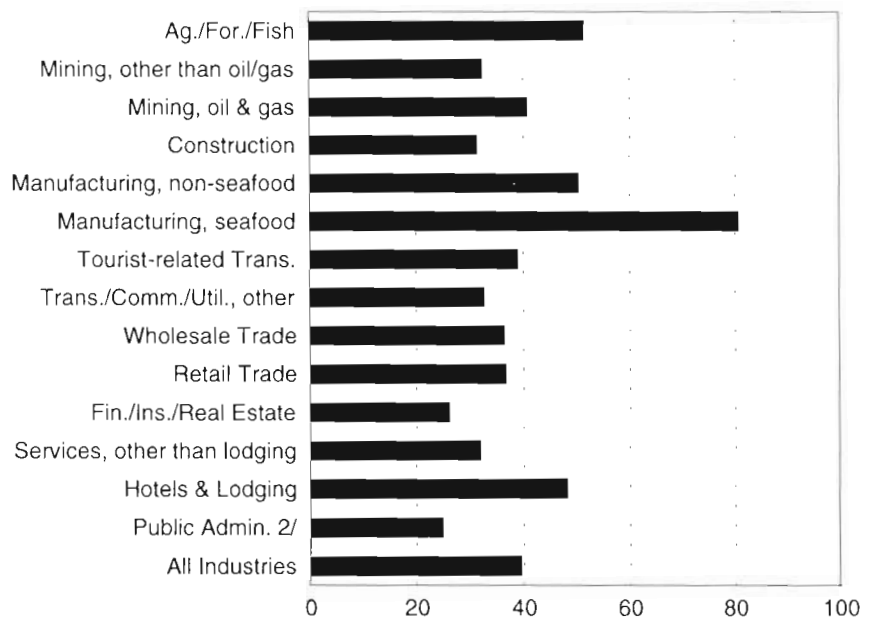
Peak hiring period was spring through summer for most occupations

Table 4 shows statewide new hires totals by occupation group for the four quarters ending with the summer of 1995. Shading indicates the period when entry opportunities were better than the rest of the year, and the boldface type indicates the single quarter with the highest number of new hires. For 39 of the 61 occupation groups, both spring and summer quarters were better times to seek work than in the fall and winter; of those 39 occupations, 25 had peak levels of new hires in the spring, and 14 had peak levels of new hires in the summer. In general, new hires for occupations influenced by tourism tended to peak in the spring rather than the summer. New hires for those occupations related to manufacturing and construction were more likely to peak in the summer.

Of the 22 occupation groups that had strong new hires totals in fall and/or winter, five peaked in the fall (teachers, except postsecondary; sales-related occupations; marketing and sales supervisors; editors, reporters, and public relations occupations; and public administration officials and administrators), and two peaked in the winter (computer, math and operations research occupations; and vocational and educational counselors). The other 15 had higher than average new hires levels in the fall and/or winter, but hit their one-quarter peak in either spring or summer.

Figure • 2

Alaska New Hires 3rd Quarter 1995 Percent Nonresidents 1/



1/ Did not receive an Alaska Permanent Fund Dividend in 1995 and did not receive a PFD in 1994.

May include some individuals that have recently established or re-established residency.

2/ Includes all employees of publicly-owned institutions.

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

T a b l e • 2

Alaska New Hires for the Four Quarters Ending Third Quarter 1995

	4Q94 Fall 1/	1Q95 Winter	2Q95 Spring	3Q95 Summer	Four Qtr. Average
Totals	47,948	45,020	73,190	74,524	60,171
By Region 2/					
Northern	2,672	2,671	3,929	4,296	3,392
Interior	5,937	4,625	11,796	10,523	8,220
Southwest	4,304	5,167	6,019	7,212	5,676
Anchorage	23,394	19,771	30,156	29,480	25,700
Gulf Coast	4,956	5,578	9,667	10,586	7,697
Southeast	6,008	5,758	10,565	10,979	8,328
Offshore	161	981	551	825	630
Outside	347	358	390	520	404
Unknown	169	111	117	103	125
By Industry					
Ag/For/Fish	283	231	980	777	568
Mining	996	1,156	2,164	2,073	1,597
Construction	4,817	3,062	7,908	9,052	6,210
Manufacturing (incl. seafood)	2,713	6,902	7,736	11,172	7,131
Trans/Commun/Pub Util.	3,313	2,965	5,571	4,802	4,163
Wholesale Trade	1,361	1,523	1,939	2,434	1,814
Retail Trade	14,008	10,760	19,260	17,517	15,386
Finance-Ins. & R.E.	2,031	1,501	2,290	2,230	2,013
Services	12,719	12,300	18,912	17,949	15,470
Pub Admin 3/	5,707	4,620	6,430	6,516	5,818

Notes: Shading indicates peak quarter for new hires over the four-quarter period. New hires figures include turnover and should not be used to assess job growth trends.

1/ Fall 1994 totals are revised.

2/ Region is determined by the worker's place of employment.

3/ Includes all employees of publicly-owned institutions.

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

Methodology

The new hires series is produced by matching Occupational Data Base files, Alaska Department of Labor wage files, and Permanent Fund Dividend files keyed on employer numbers and employee social security numbers. This match is made for the report quarter and the four previous quarters. Each employer's full listing of employees is considered for the report quarter. If an employee worked for the employer in any of the previous four quarters, he or she is considered continuously employed or a seasonal rehire and is excluded from the new hires subset; otherwise, the employee is defined as a new hire for that employer.

A worker can be counted as a new hire for more than one employer during the report quarter, but not more than once for the same employer. This method purposely treats the turnover of an existing job as a new hire. The new hires series is designed to measure job opportunities provided by the combined effect of turnover and job growth.

An employee's region is set by his or her actual place of employment, unless that information is not provided by the employer. Historically, employers do not report place of employment information for about 10 percent of all employees. In that case, the employee's region is determined by the location of the employer.

Alaska New Hires by Occupation Group and Region 3rd Quarter 1995

Occupation Group 1/	Northern	Interior	Southwest	Anchorage	Gulf Coast	Southeast
Other Service	543	1,955	684	6,303	1,865	2,086
Handlers & Laborers	848	1,307	1,446	2,985	1,001	934
Fabricators, Assemblers, Hand Working	159	161	2,010	413	2,815	2,103
Admin. Support	430	987	520	3,546	705	1,018
Salespersons; Retail	178	860	264	3,232	526	1,060
Construction Trades	491	1,271	547	2,071	574	436
Transportation	113	325	309	677	447	435
Mechanics & Repairers	187	307	152	688	201	154
Material Moving	158	310	79	229	202	142
Helpers	152	139	54	363	183	157
Teachers, except Postsecondary	114	133	149	314	147	150
Protective Service	66	134	99	410	43	65
Officials & Administrators, Other	77	101	55	322	85	89
Forestry & Logging	0	8	2	1	98	553
Social, Recreation & Religious Wrkrs.	52	106	76	174	100	91
Management Related	65	62	41	311	51	64
Other Agricultural	2	104	26	263	98	95
Writers, Artists, Performers	9	55	1	259	21	25
Teachers: Postsecondary	3	69	7	135	51	65
Extractive	178	37	9	10	85	8
Engineers, Surveyors & Architects	44	46	13	164	13	29
Machine Operators & Tenders	4	97	8	136	25	34
Health Technologists & Technicians	13	36	3	200	22	29
Registered Nurses	16	26	22	129	28	47
Fishers, Hunters & Trappers	2	0	80	0	159	24
Precision Production	5	51	12	111	32	37
Engineering Technologists & Technicians	35	30	5	113	27	14
Technicians, NEC	1	33	9	133	13	27
Pharmacists, Therapists, Physician Asst.	1	13	8	83	32	27
Miscellaneous	7	50	10	47	25	21
Supervisors; Admin. Support	7	26	7	71	8	34
Salespersons; Non-Retail Commodities	3	5	3	116	5	12
Sales Related	9	23	0	92	6	9
Plant & System Operators	17	45	42	19	11	5
Insurance, Securities, Realty, Bus. Svcs. Sales	0	14	1	94	9	19
Supervisors; Marketing & Sales	2	26	10	57	14	16
Private Household	6	17	2	53	11	21
Editors, Reporters, Public Relations	6	3	5	50	17	20
Science Technologists & Technicians	20	23	4	21	19	3
Supervisors; Construction & Extractive	8	18	10	26	11	5
Natural Scientists	11	15	1	32	5	14
Physicians & Dentists	7	7	8	30	5	13
Librarians, Archivists, & Curators	4	18	8	20	9	8
Supervisors; Production	4	2	6	17	25	5
Lawyers & Judges	0	6	3	37	3	5
Athletes & Related	0	6	0	23	7	14
Computer, Math, and Opers. Research	4	8	0	24	4	4
Production Inspectors, Testers, etc.	0	0	6	7	21	8
Vocational & Educational Counselors	0	7	10	20	4	0
Farm Operators & Managers	2	22	1	11	1	1
Officials & Administrators, Public Admin.	2	2	10	8	6	9
Social Scientists & Urban Planners	0	4	2	14	6	11
Machine Setup Operators	0	1	0	19	8	7
Supervisors; Handlers, Helpers & Laborers	1	6	13	3	4	4
Other Health Diagnosing & Treating	1	0	1	21	0	1
Supervisors; Mechanics & Repairers	2	0	1	11	3	5
Veterinarians	0	5	0	6	2	0
Supervisors; Precision Production	0	0	10	0	0	1
Supervisors; Transportation & Material Moving	1	0	1	2	1	1
Invalid code or not reported	226	1,401	346	4,754	687	705

Notes: Shading indicates the top 20 occupations for new hires in each region; boldface type indicates top region for new hires for each occupation group. Region is determined by place of employment; if unreported, region is determined by the primary address of the employer. Occupation groups are based on two-digit Standard Occupational Codes, 1980 Standard Occupational Classification Manual.
1/ Sorted by statewide totals.

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

Alaska New Hires by Occupation Group 4th Quarter 1994 Through 3rd Quarter 1995

Occupation Group 1/	4Q94 Fall	1Q95 Winter	2Q95 Spring	3Q95 Summer	Four Qtr. Average
Other Service	9,534	8,230	15,167	13,448	11,595
Admin. Support	6,246	5,293	8,319	7,215	6,768
Handlers & Laborers	4,903	3,970	7,883	8,525	6,345
Salespersons; Retail	4,762	3,278	6,707	6,142	5,222
Fabricators, Assemblers, & Hand Working 2/	1,213	4,851	4,687	8,338	4,772
Construction Trades	3,099	1,588	4,189	5,397	3,568
Transportation	1,626	1,392	2,914	2,399	2,083
Mechanics & Repairers	1,183	1,144	2,139	1,696	1,541
Teachers, except Postsecondary	1,144	755	690	1,009	900
Material Moving	543	384	1,321	1,121	842
Helpers	543	472	976	1,048	760
Protective Service	702	591	832	818	736
Officials & Administrators, Other	544	677	836	733	698
Management Related	453	511	622	606	548
Social, Recreation & Religious Workers	431	450	551	599	508
Other Agricultural	169	166	1,055	590	495
Forestry & Logging	301	253	610	662	457
Health Technologists & Technicians	229	210	332	303	269
Writers, Artists, Performers	172	219	303	370	266
Engineers, Surveyors & Architects	212	212	306	313	261
Precision Production	221	141	359	251	243
Teachers: Postsecondary	184	325	112	330	238
Registered Nurses	224	170	281	268	236
Machine Operators & Tenders	144	183	282	307	229
Extractive	154	128	286	344	228
Technicians, NEC	206	166	205	216	198
Engineering Technologists & Technicians	131	118	276	224	187
Fishers, Hunters & Trappers	67	72	152	323	154
Sales Related	175	51	148	145	130
Miscellaneous	82	87	182	181	128
Pharmacists, Therapists, Physician Assistants	120	114	111	165	128
Salespersons; Non-Retail Commodities	114	91	157	148	127
Supervisors; Marketing & Sales	151	97	133	125	127
Supervisors; Admin. Support	83	83	170	153	122
Insurance, Securities, Realty, Business Svcs. Sales	106	104	139	138	122
Plant & System Operators	81	95	145	139	115
Editors, Reporters, Public Relations	104	84	88	101	94
Athletes & Related	111	71	145	50	94
Private Household	85	73	106	110	94
Officials & Administrators, Public Administration	189	38	105	38	93
Science Technologists & Technicians	70	93	102	90	89
Supervisors; Construction & Extractive	39	42	125	90	74
Natural Scientists	43	47	100	79	67
Physicians & Dentists	56	47	59	70	58
Lawyers & Judges	33	44	54	54	46
Computer, Math, and Operations Research	30	63	44	45	46
Librarians, Archivists, & Curators	37	24	44	67	43
Vocational & Educational Counselors	39	44	40	41	41
Supervisors; Production	26	25	33	60	36
Farm Operators & Managers	12	29	60	38	35
Supervisors; Mechanics & Repairers	32	23	42	22	30
Machine Setup Operators	11	23	43	35	28
Production Inspectors, Testers, etc.	8	20	36	47	28
Supervisors; Handlers, Helpers & Laborers	16	16	39	31	26
Social Scientists & Urban Planners	15	20	15	37	22
Other Health Diagnosing & Treating	10	14	7	24	14
Veterinarians	4	6	10	13	8
Supervisors; Transportation & Material Moving	7	6	14	6	8
Supervisors; Precision Production	3	0	5	11	5
Invalid Code or Not Reported	4,934	4,766	8,298	8,497	6,624

Notes: Shading indicates peak period for new hires, with the highest quarter in bold typeface.

1/ Based on two-digit Standard Occupational Code, 1980 Standard Occupational Classification Manual.

2/ Includes seafood processing hand-working occupations.

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

Highlights Alaska Wage Rates

by Dean Rasmussen

Alaska Wage Rates 1995 is a continuation of the annual wage rate survey conducted by the Alaska Department of Labor (AKDOL), Research and Analysis Section.

Survey Questions and Responses

During the summer of 1995, the Research and Analysis Section conducted a survey of private employers asking them to report the gross frequency of payment (e.g., hourly), the number of workers in the establishment paid at each rate, the number of workers per week, any union workers, and if the reported wage level. A total of 1,828 businesses in all of Alaska's six economic regions participated. The response rate to the survey was 70.5%, representing nearly 34% statewide.

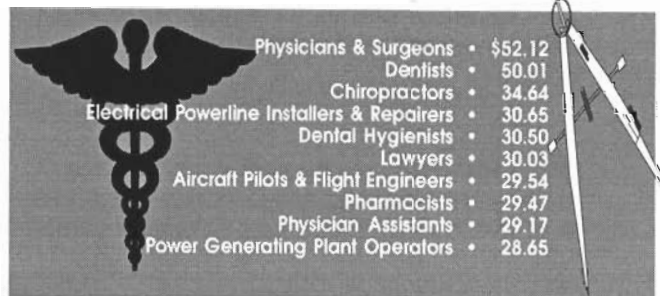
The wage data for Alaska and its economic regions are presented in the tables in this publication. Each occupation that appears in the tables was reported by at least 15 workers by a minimum of five employers or 30 workers by five employers. A total of 188 occupations met these publication criteria. An additional 65 occupations were also included to show entry-level wages for 65 occupations. The wage information presented in this publication represents all the wage data for that occupation, regardless of the source.

Highest and Lowest Median Hourly Wage Rates

Of the 10 occupations with the highest median hourly wage, seven belong to the professional, paraprofessional, and technical category. (See Table 1.) Six of the seven are found in health-related fields. Physicians and surgeons and dentists top the list as they typically have done in the past.

Amended Tables Alaska Economic Trends June 1996, Page 19

Table 1
Occupations with Highest Median Hourly Wage*
Alaska (July 1995)



Physicians & Surgeons	• \$52.12
Dentists	• 50.01
Chiropractors	• 34.64
Electrical Powerline Installers & Repairers	• 30.65
Dental Hygienists	• 30.50
Lawyers	• 30.03
Aircraft Pilots & Flight Engineers	• 29.54
Pharmacists	• 29.47
Physician Assistants	• 29.17
Power Generating Plant Operators	• 28.65

*Total of 188 selected occupations.

Source: Alaska Department of Labor, Research and Analysis Section

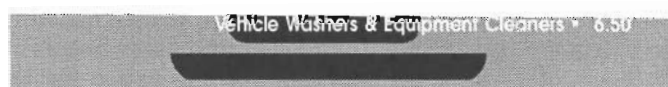
Table 2
Occupations with Lowest Median Hourly Wage*
Alaska (July 1995)



Waiters & Waitresses	• \$5.00
Combined Food Preparation/Service Workers, Fast Food	• 5.25
Baggers	• 5.50
Cooks, Specialty, Fast Food	• 5.75
Dining Room/Cafeteria Attendants & Bartender Helpers	• 6.00
Cannery & Cold Storage Workers	• 6.20
Baggage Porters & Bellhops	• 6.24
Dishwashers	• 6.50
Amusement & Recreation Workers	• 6.50
Vehicle Washers & Equipment Cleaners	• 6.50

*Total of 188 selected occupations. Minimum Wage Rates (4/1/92)=\$4.75/hr. (Nonagricultural Workers) & \$4.25/hr. (agricultural & domestic workers).

Source: Alaska Department of Labor, Research and Analysis Section



Vehicle Washers & Equipment Cleaners	• 6.50
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*Total of 188 selected occupations. Minimum Wage Rates (4/1/92)=\$4.75/hr. (Nonagricultural Workers) & \$4.25/hr. (agricultural & domestic workers).

Source: Alaska Department of Labor, Research and Analysis Section

First Quarter Ends in the Black

by Neal Fried

The sluggish performance of last year has carried over into 1996. During the first quarter of 1996, employment grew by 0.4%, or less than half of 1995's rate. Nevertheless, most of the state's industries are posting employment gains. That leads to the bottom line—Alaska's economy continues to add jobs.

Construction, services and retail keep economy above water

Construction employment, the most robust of the industries, was up 4.0% compared to year-ago levels. Big projects, such as the construction of the Fort Knox mine, the Healy Clean Coal project, the Seward Sea Life Center, and the Elmendorf Air Force Hospital, will anchor the 1996 season. A host of other projects should help keep the numbers up for the rest of the year. One unexpected windfall for the industry is the reconstruction of the Princess Lodge outside Denali National Park. In March, two wings of the lodge and other buildings in the complex burned down. To be ready for the summer visitor season, the reconstruction work is planned to be completed within 60 days. Because of the condensed time schedule, the construction crew may work long hours and total as many as 200 workers.

In absolute numbers, the service industry remains the biggest contributor to overall employment gains. In March, there were 1,600 more jobs in services than a year ago. Health care, business services, engineering and architectural services, and social services are fueling most of the growth. However, not all segments of the service industry are thriving. For example, first quarter employment for hotels is down almost 3.0 percent. Most of this loss is occurring in Anchorage. A weak winter season and some hotels cutting back on services are the cause for this de-

cline. By the time the summer season kicks in, these numbers should climb back to 1995's levels. Hotel employment could climb beyond last year's levels as new hotels open their doors and an expected strong visitor season develops. Another weak link in services remains legal services. Legal services is entering its fourth straight year of declines. Cuts to Alaska Legal Services, law firms' cutting costs, and the end of most oil spill litigation are putting a crimp on this segment of the service industry.

Retail trade's contribution to the economy's growth is more modest. Most of the industry is still trying to adjust to all the new capacity built in 1994 and 1995. Nearly all of retail's growth is coming from restaurant employment and to a lesser extent from food stores. Since 1987, restaurant employment has grown uninterrupted. The number of firms reporting employment increased by more than 250. (See Figure 1.) Employment surged by 1,200 during the past two years, and it appears this trend is bound to continue. In the coming three months alone, three sizable brew pubs will be opening in Anchorage. Forecasts of ever stronger visitor seasons, an ever growing slice of the food dollar going to eating away from home, and more competition in the industry are driving this growth.

Oil industry employment firms up

After a rough year for oil industry employment in 1995, stability describes the first quarter of this year. Although oil producer employment remains below year-ago levels, employment in oil field services is creeping above 1995's numbers. Some of the oil producers' losses may simply have shifted to the oil service companies. It may also mean that activity is perking up. Other good news is oil prices have climbed \$3 per barrel since

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January. This has boosted the state's oil revenues by over \$200 million.

Losses in manufacturing, transportation and federal government keep growth in check

Although the list of industries gaining ground is longer than that of those losing ground, some of the latter are posting sizable losses. Over-the-year declines in manufacturing (timber and seafood processing), transportation (air transportation), and the federal government exceeded 4.0 percent. This is why total employment has difficulties eking out much growth. The losses in air transportation represent the closure of MarkAir and MarkAir Express in 1995 and are no longer a reflection of the health of the industry. Because these losses were so large, they will haunt 1996 transportation numbers for the rest of the year. This is in spite of the fact that by all other measures the industry is quite robust.

The losses in manufacturing reflect present economic difficulties in both the timber and the seafood industries. Compared to year-ago levels, timber employment is down 12%. Idled sawmills and less logging are taking a toll. A terrible crab season and the closure of some processing plants are tugging at seafood processing's numbers.

Federal government employment is entering its third year of shedding jobs. In March of 1993, the size of the federal work force was 19,400. Today it stands at 16,600. Not since 1980 has the federal work force been smaller.

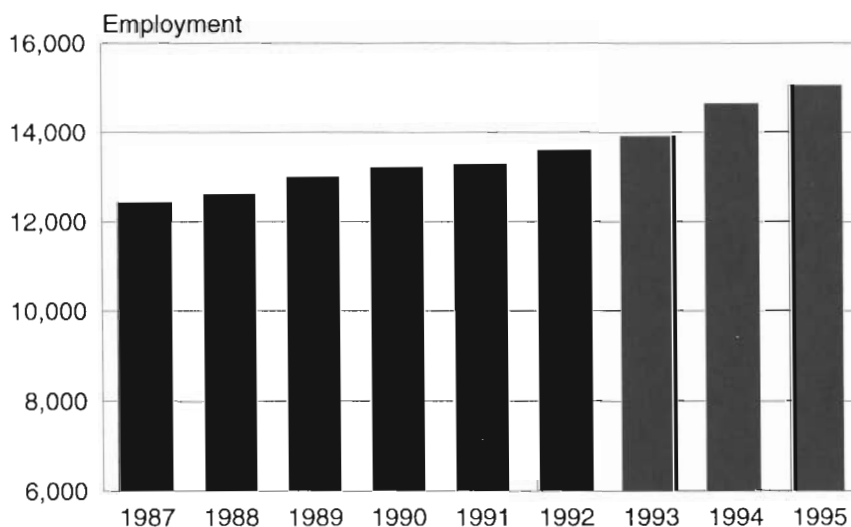
Employment is up in most regions

Employment in March was positive in all but two of the regions in the state. Growth in construction, services and retail is keeping most areas' employment pictures bright. For example, in Anchorage, the region with the most anemic year-to-year increases (+0.01%),

total employment would not have grown without a robust service sector. (See Figure 1.) The picture is similar in Fairbanks, except that Fairbanks' growth is also getting a boost from mining-related construction. Although Southeast Alaska's timber and seafood processing industries are experiencing sizable losses, total employment is still growing. Growth in services and trade is part of the reason for the area's strength; but, like Fairbanks, the mining and construction sectors are boosting the region's fortunes. Unlike Fairbanks, however, Southeast's vigorous construction picture is coming from a surge in residential construction. And the 100-job gain in mining is coming from the gearing up of Juneau's Greens Creek mine. The state's Northern region's numbers look fairly decent because of increases in oil industry employment. The two regions to post over-the-year employment losses were the

Figure • 1

Restaurant Employment Keeps Growing



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

T a b l e • 1

Nonagricultural Wage and Salary Employment by Place of Work

Alaska	p/	r/	Changes from			Municipality of Anchorage	p/	r/	Changes from		
	3/96	2/96	3/95	2/96	3/95		3/96	2/96	3/95	2/96	3/95
Total Nonag. Wage & Salary	251,700	249,500	250,500	2,200	1,200	Total Nonag. Wage & Salary	117,400	116,700	117,200	700	200
Goods-producing	35,100	35,200	35,400	-100	-300	Goods-producing	9,700	9,600	9,600	100	100
Service-producing	216,600	214,300	215,100	2,300	1,500	Service-producing	107,700	107,100	107,600	600	100
Mining	9,800	9,900	9,700	-100	100	Mining	2,800	2,800	2,800	0	0
Construction	9,800	9,700	9,400	100	400	Construction	4,900	4,900	4,800	0	100
Manufacturing	15,500	15,600	16,300	-100	-800	Manufacturing	2,000	1,900	2,000	100	0
Durable Goods	2,500	2,300	2,800	200	-300	Transportation	11,600	11,500	12,100	100	-500
Lumber & Wood Products	1,600	1,400	1,900	200	-300	Air Transportation	4,200	4,200	4,800	0	-600
Nondurable Goods	13,000	13,300	13,500	-300	-500	Communications	2,300	2,300	2,100	0	200
Seafood Processing	9,800	10,100	10,300	-300	-500	Trade	28,400	28,200	28,200	200	200
Pulp Mills	500	500	500	0	0	Wholesale Trade	6,100	6,000	6,100	100	0
Transportation	21,200	20,900	22,100	300	-900	Retail Trade	22,300	22,200	22,100	100	200
Trucking & Warehousing	2,900	2,900	2,800	0	100	Gen. Merch. & Apparel	4,100	4,200	4,300	-100	-200
Water Transportation	1,700	1,600	1,700	100	0	Food Stores	3,200	3,200	3,100	0	100
Air Transportation	6,600	6,600	7,400	0	-800	Eating & Drinking Places	8,000	7,900	7,700	100	300
Communications	3,700	3,700	3,700	0	0	Finance-Ins. & Real Estate	7,000	7,000	7,100	0	-100
Trade	51,300	50,700	50,400	600	900	Services & Misc.	32,400	32,400	31,600	0	800
Wholesale Trade	8,300	8,200	8,200	100	100	Hotels & Lodging Places	2,200	2,300	2,500	-100	-300
Retail Trade	43,000	42,500	42,200	500	800	Health Services	6,900	6,800	6,700	100	200
Gen. Merch. & Apparel	8,300	8,300	8,300	0	0	Government	28,300	28,000	28,600	300	-300
Food Stores	7,300	7,200	7,000	100	300	Federal	10,100	10,100	10,700	0	-600
Eating & Drinking Places	14,100	13,700	13,600	400	500	State	8,400	8,300	8,400	100	0
Finance-Ins. & Real Estate	11,400	11,300	11,400	100	0	Local	9,800	9,600	9,500	200	300
Services & Misc.	59,100	58,400	57,500	700	1,600						
Hotels & Lodging Places	4,900	4,800	5,100	100	-200						
Health Services	13,500	13,400	13,100	100	400						
Government	73,600	73,000	73,700	600	-100						
Federal	16,700	16,600	17,400	100	-700						
State	22,100	22,000	22,100	100	0						
Local	34,800	34,400	34,200	400	600						

T a b l e • 2

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/	r/		p/	r/		p/	r/	
	3/96	2/96	3/95	3/96	2/96	3/95	3/96	2/96	3/95
Mining	\$1,222.88	\$1,191.10	\$1,179.49	50.7	50.3	48.3	\$24.12	\$23.68	\$24.42
Construction	1,037.23	1,004.34	969.44	43.2	41.9	41.5	24.01	23.97	23.36
Manufacturing	511.43	442.88	554.44	51.4	45.1	57.1	9.95	9.82	9.71
Seafood Processing	436.89	365.96	512.57	56.3	47.9	64.8	7.76	7.64	7.91
Trans., Comm. & Utilities	653.64	657.82	626.15	33.4	33.7	33.2	19.57	19.52	18.86
Trade	405.81	409.78	397.65	33.1	33.1	33.9	12.26	12.38	11.73
Wholesale	617.71	661.98	626.48	37.1	37.4	38.2	16.65	17.70	16.40
Retail	366.12	361.76	354.50	32.4	32.3	33.1	11.30	11.20	10.71
Finance-Ins. & Real Estate	496.95	497.76	462.03	36.3	36.6	35.9	13.69	13.60	12.87

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.

Benchmark: March 1995

Nonagricultural Wage and Salary Employment by Place of Work

Southeast Region	p/	r/	Changes from		
	3/96	2/96	3/95	2/96	3/95
Total Nonag. Wage & Salary	32,650	32,250	32,250	400	400
Goods-producing	3,950	3,850	4,300	100	-350
Service-producing	28,700	28,400	27,950	300	750
Mining	250	250	150	0	100
Construction	1,300	1,250	1,250	50	50
Manufacturing	2,400	2,350	2,900	50	-500
Durable Goods	1,050	950	1,450	100	-400
Lumber & Wood Products	950	850	1,300	100	-350
Nondurable Goods	1,350	1,400	1,450	-50	-100
Seafood Processing	600	650	750	-50	-150
Pulp Mills	550	550	500	0	50
Transportation	2,400	2,350	2,400	50	0
Trade	6,100	6,000	5,900	100	200
Wholesale Trade	500	500	500	0	0
Retail Trade	5,600	5,500	5,400	100	200
Finance-Ins. & Real Estate	1,250	1,250	1,250	0	0
Services & Misc.	6,350	6,250	5,950	100	400
Government	12,600	12,550	12,450	50	150
Federal	1,750	1,750	1,800	0	-50
State	5,500	5,500	5,550	0	-50
Local	5,350	5,300	5,100	50	250

Anchorage/Mat-Su Region

Total Nonag. Wage & Salary	127,350	126,350	126,750	1,000	600
Goods-producing	10,250	10,300	10,150	-50	100
Service-producing	117,100	116,050	116,600	1,050	500
Mining	2,750	2,800	2,900	-50	-150
Construction	5,400	5,500	5,200	-100	200
Manufacturing	2,100	2,000	2,050	100	50
Transportation	12,400	12,300	13,050	100	-650
Trade	30,950	30,650	30,600	300	350
Finance-Ins. & Real Estate	7,450	7,400	7,500	50	-50
Services & Misc.	35,000	34,650	33,850	350	1,150
Government	31,300	31,050	31,600	250	-300
Federal	10,250	10,200	10,800	50	-550
State	9,200	9,150	9,150	50	50
Local	11,850	11,700	11,650	150	200

Gulf Coast Region

Total Nonag. Wage & Salary	24,900	24,550	24,950	350	-50
Goods-producing	5,950	5,900	6,050	50	-100
Service-producing	18,950	18,650	18,900	300	50
Mining	1,000	950	950	50	50
Construction	900	950	750	-50	150
Manufacturing	4,050	4,000	4,350	50	-300
Seafood Processing	2,900	2,850	3,100	50	-200
Transportation	2,000	1,950	2,050	50	-50
Trade	4,550	4,450	4,550	100	0
Wholesale Trade	550	550	550	0	0
Retail Trade	4,000	3,900	4,000	100	0
Finance-Ins. & Real Estate	650	650	650	0	0
Services & Misc.	4,850	4,750	4,850	100	0
Government	6,900	6,850	6,800	50	100
Federal	600	600	600	0	0
State	1,700	1,700	1,750	0	-50
Local	4,600	4,550	4,450	50	150

Interior Region	p/	r/	Changes from:		
	3/96	2/96	3/95	2/96	3/95
Total Nonag. Wage & Salary	33,500	33,300	33,200	200	300
Goods-producing	2,850	2,750	2,750	100	100
Service-producing	30,650	30,550	30,450	100	200
Mining	800	750	850	50	-50
Construction	1,500	1,500	1,400	0	100
Manufacturing	550	500	500	50	50
Transportation	2,350	2,350	2,450	0	-100
Trade	6,800	6,800	6,700	0	100
Finance-Ins. & Real Estate	1,000	1,000	1,000	0	0
Services & Misc.	7,850	7,750	7,600	100	250
Government	12,650	12,650	12,700	0	-50
Federal	3,400	3,400	3,400	0	0
State	4,850	4,800	4,850	50	0
Local	4,400	4,450	4,450	-50	-50

Fairbanks North Star Borough

Total Nonag. Wage & Salary	29,500	29,300	29,200	200	300
Goods-producing	2,500	2,450	2,400	50	100
Service-producing	27,000	26,850	26,800	150	200
Mining	600	600	700	0	-100
Construction	1,400	1,350	1,200	50	200
Manufacturing	500	500	500	0	0
Transportation	2,000	1,950	2,000	50	0
Trucking & Warehousing	450	500	450	-50	0
Air Transportation	450	450	500	0	-50
Communications	300	300	300	0	0
Trade	6,350	6,350	6,300	0	50
Wholesale Trade	800	800	800	0	0
Retail Trade	5,550	5,550	5,500	0	50
Finance-Ins. & Real Estate	950	950	950	0	0
Services & Misc.	7,250	7,150	7,050	100	200
Government	10,450	10,450	10,500	0	-50
Federal	2,900	2,900	2,900	0	0
State	4,600	4,600	4,600	0	0
Local	2,950	2,950	3,000	0	-50

Southwest Region

Total Nonag. Wage & Salary	17,950	18,150	18,100	-200	-150
Goods-producing	6,500	6,750	6,600	-250	-100
Service-producing	11,450	11,400	11,500	50	-50
Seafood Processing	6,250	6,550	6,350	-300	-100
Government	5,400	5,500	5,500	-100	-100
Federal	550	550	600	0	-50
State	450	500	500	-50	-50
Local	4,400	4,450	4,400	-50	0

Northern Region

Total Nonag. Wage & Salary	15,350	15,150	15,050	200	300
Goods-producing	5,550	5,550	5,450	0	100
Service-producing	9,800	9,600	9,600	200	200
Mining	5,050	5,100	4,800	-50	250
Government	4,800	4,650	4,700	150	100
Federal	200	200	200	0	0
State	300	300	350	0	-50
Local	4,300	4,150	4,150	150	150

Gulf Coast and Southwest regions. Both lost ground because of weaker seafood processing numbers. Their other industries, however, remain in relatively good shape.

Job market may be getting a bit more competitive

Like nearly every March, Alaska's unemployment rate fell as seasonal employment activity began to pick up. However, March's unemployment rate of 8.9% also represented the third consecutive month in 1996 with year-to-year increases. The slowdown in the job growth in 1996 explains most of this higher jobless rate. It could also be an early indication that the 1996 job market will be more competitive for Alaska's job seekers. However, it is still too early to sort out the 1996 employment season until the big spring and summer employment surge arrives.

T a b l e • 4

Unemployment Rates by Region & Census Area

Not Seasonally Adjusted	Percent Unemployed		
	p/ 3/96	r/ 2/96	3/95
United States	5.8	6.0	5.7
Alaska Statewide	8.9	9.3	8.2
Anchorage/Mat-Su Region	7.2	7.4	6.7
Municipality of Anchorage	6.2	6.3	5.7
MatSu Borough	12.2	13.2	11.7
Gulf Coast Region	12.9	14.1	12.3
Kenai Peninsula Borough	15.4	17.2	15.0
Kodiak Island Borough	4.8	5.6	4.6
Valdez-Cordova	13.0	12.7	11.7
Interior Region	11.0	11.2	10.1
Denali Borough	15.4	17.5	13.4
Fairbanks North Star Bor.	9.8	9.9	9.1
Southeast Fairbanks	19.3	20.7	16.1
Yukon-Koyukuk	21.4	20.7	20.4
Northern Region	12.4	12.0	10.4
Nome	15.0	14.6	12.9
North Slope Borough	4.8	4.5	3.3
Northwest Arctic Borough	18.7	18.1	16.2
Southeast Region	10.1	11.1	9.2
Haines Borough	16.1	16.4	14.8
Juneau Borough	7.3	7.5	6.5
Ketchikan Gateway Borough	11.0	12.5	10.0
Pr. of Wales-Outer Ketch.	16.2	19.5	13.4
Sitka Borough	7.7	8.6	6.8
Skagway-Hoonah-Angoon	10.2	10.5	12.9
Wrangell-Petersburg	15.8	17.1	14.1
Yakutat Borough	10.0	11.5	9.2
Southwest Region	6.5	6.1	6.6
Aleutians East Borough	1.8	2.0	1.7
Aleutians West	2.3	1.8	2.1
Bethel	7.0	7.2	8.4
Bristol Bay Borough	8.7	9.8	7.0
Dillingham	11.2	10.8	7.3
Lake & Peninsula Borough	9.9	6.5	9.2
Wade Hampton	10.4	8.2	11.6
Seasonally Adjusted			
United States	5.6	5.5	5.5
Alaska Statewide	7.9	7.5	7.3

p/ denotes preliminary estimates r/ denotes revised estimates

Benchmark: March 1995

- Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.
- The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.

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

Alaska Employment Service

Anchorage: Phone 269-4800

Bethel: Phone 543-2210

Dillingham: Phone 842-5579

Eagle River: Phone 694-6904/07

Mat-Su: Phone 376-2407/08

Fairbanks: Phone 451-2871

Glennallen: Phone 822-3350

Kotzebue: Phone 442-3280

Nome: Phone 443-2626/2460

Tok: Phone 883-5629

Valdez: Phone 835-4910

Kenai: Phone 283-4304/4377/4319

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.