

ALASKA ECONOMIC **TRENDS**

MAY 2010



Older Workers in Alaska

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Alaska's Self-Employed

Not everyone gets a paycheck

Petersburg

The story of a 100-year-old fishing community



**ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT**

**Sean Parnell, Governor
Commissioner Click Bishop**

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& WORKFORCE DEVELOPMENT

Sean Parnell, Governor of Alaska
Commissioner Click Bishop

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Cover: The Viking ship "Valhalla" is located at Fishermen's Memorial Park in Petersburg, Alaska. The photo was taken in July 2009. Photo courtesy of Hans-Jürgen Hübner

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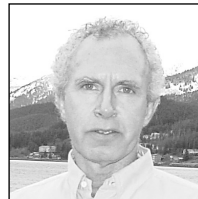
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Training Program Benefits Older Alaskans, Community Service Agencies

By Commissioner Click Bishop

This month's *Trends* focuses on a growing segment of our population – aging Alaskans who are remaining in the work force. Alaska's median age has increased by six years over the last decade, from 27.5 to 33.5. The number of Alaskans who are over 65 has also increased, from 5.4 percent of our state's population to 7.3 percent.

The share of workers who are over 55 has almost doubled, from 8 percent in 1998 to 15 percent in 2008, the latest year for which data are available. During this time, older workers have also increased their share of Alaska's wages, from 8.9 percent to 18.1 percent.

The Gasline Training Plan that the Alaska Department of Labor and Workforce Development began implementing in 2007 provides a snapshot of what kinds of jobs Alaska will need to build a gasline. The plan also addresses an aging skilled workforce and where we need to focus Alaska's resources to train and prepare the next generation of workers.

We're also helping our current aging work force. Through the MASST program – Mature Alaskans Seeking Skills Training – the Department of Labor is addressing the need for skills upgrades for workers who are 55 years and older.

Because many older workers find themselves in need of training to compete in today's job market, MASST promotes work opportunities for low-income Alaskans who are returning or entering the work force. Federally funded as the Older American Community Service Employment Program, MASST provides work experience, on-the-job training in Alaska Job Centers, workshops and skills training. MASST supports training opportunities in health care, child care, education, green jobs, energy efficiency, environmental services and other available public service activities.

MASST is guided by the Senior Community Service Employment Program Plan, a collaborative effort between the Alaska Workforce Investment Board and the Alaska Commission on Aging. The plan emphasizes the importance of increasing partnerships with other programs, initiatives and entities operating within the state to obtain employment for older workers.

MASST staff work with other service providers, the Alaska Job Center Network, its partners, and the Workforce Investment Act to help meet the needs of senior workers. Both rural and urban Alaskans are able to access MASST through a Job Center or a local partner.

The Department of Labor's successful "One Stop Academy" that brings together partners and other agencies is offered several times each year and includes referral information about training and job opportunities for older workers. Through this collaboration, local social service organizations are host agencies that are helping target job development and training so that workers can become employed in their communities.

The program served 525 Alaskans in FY2009 and had exceeded the federal placement goal of 22 percent by placing almost 50 percent in permanent jobs. MASST participants had quarterly-average earnings of \$8,672, which exceeded the federal quarterly-average earnings measure of \$6,803.

MASST helps Alaska retain the valuable resources of older workers while enabling them to maintain an independent lifestyle and make meaningful contributions to their communities.

A wage record analysis

Alaska's population has gotten older over the past 10 years. Alaska's median¹ age in 1998 was 27.5 compared to 33.5 in 2008.² The percentage of older Alaskans has also increased over the past decade. In 1998, 5.4 percent of the state's population was 65 and over, by 2008, the percentage rose to 7.3 percent.

The aging population is evident in the composition of Alaska's work force. The number of older workers³ is small relative to other age groups, but older workers are of particular interest because they earn higher wages and possess skills and knowledge acquired over many years.

Examining the degree to which older workers are represented in the work force can shed light on where future job openings might occur, where labor shortages may emerge, and whether enough younger workers are available to fill possible vacancies left by retiring older workers.

¹ The median is the middle value in a set of ordered values.

² The most recent year for which complete data are available.

³ "Workers" throughout this article (including the exhibits) refers to workers who are Alaska residents.

Defining an older worker

This article focuses on the impact of two major groups of older workers: those who are expected to retire in the next 10 years (age 55 to 64), and those who are over normal retirement age (age 65 and over). For the purposes of this analysis, only Alaska resident workers were considered.⁴ Age information on nonresident workers is not available.

The composition of the work force in 1998 and 2008

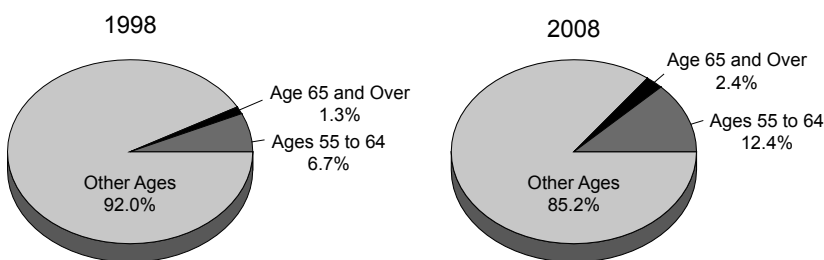
In 2008, 12.4 percent of workers were between the ages of 55 and 64, and 2.4 percent of total workers were age 65 and over. Those numbers were up significantly from 10 years before. In 1998, 6.7 percent of workers were between ages 55 and 64 and 1.3 percent were age 65 and over. (See Exhibit 1.)

One major difference when comparing wages between these two years is that median wages reached a maximum at an earlier age in 1998. In 1998, median wages maxed out at \$33,614 at age 50. In 2008, median wages maxed out at \$42,110 at age 54. (See Exhibit 2.)

A larger number of older workers are staying in the work force, and their share of total wages has increased over the last 10 years. Between 1998 and 2008, older workers' share of wages

⁴ Alaska residency is determined by matching the Alaska Department of Revenue Permanent Fund Dividend file with the Alaska Department of Labor and Workforce Development wage file. The PFD file is a list of Alaskans who either applied for or received a PFD. The wage file contains quarterly earnings and industry information on workers covered by unemployment insurance within Alaska. Those who aren't subject to unemployment insurance laws include self-employed workers, fishermen, the uniformed military, federal employees, and elected and appointed officials. Workers included in the wage file were considered Alaska residents if they applied for a PFD in either 1998 or 1999, and either 2008 or 2009.

1 Share of Older Workers in Work Force Alaska, 1998 and 2008



Note: "Workers" throughout this article refers to workers who are Alaska residents.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

increased from 8.9 percent to 18.1 percent. (See Exhibit 3.)

Older adults may be staying in the work force longer for any number of reasons, and the reasons may result from necessity or desire. In some cases, due to changing economic circumstances, workers may need to keep working to build sufficient funds to retire. In other cases, some return to work after retirement if funds fall short. Some older workers may want to keep working, or they are persuaded by their employers to stay on a few more years due to an insufficient pool of replacements.

Industries and occupations with a high percentage of older workers

State and local government⁵ were the two industries that employed the largest percentage of older workers. (See Exhibit 4.) These industries also had the highest median age for workers at 45 and 44 respectively. In contrast, the overall median age of workers in the private sector was 36, nearly 10 years younger than government workers.

Private sector industries with the highest percentage of older workers included Educational and Health Services,⁶ and Business and Professional Services. Despite having a higher percentage of older workers than other private sector industries, median worker ages in these two industries were lower than government at 40 and 38 respectively.

When viewing the data by occupation, post-secondary teachers had the highest percentage of workers ages 55 to 64. (See Exhibit 5.) No occupations had a median age exceeding 55 years old, but post-secondary education teachers also had the highest median age at 54.5 years old. Education-related occupations also have a higher percentage of workers in the 65 and over age group.

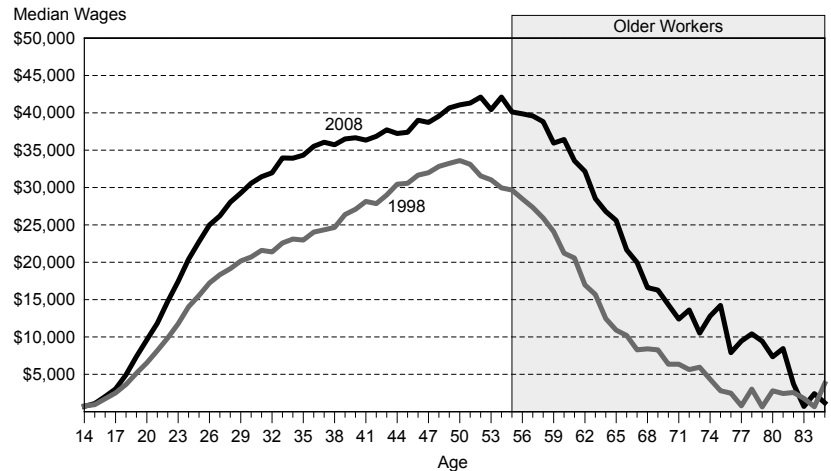
New hires by age

Hiring activity varies with age. In 2008, a major-

⁵ Data were not available for federal employees.

⁶ Private education only

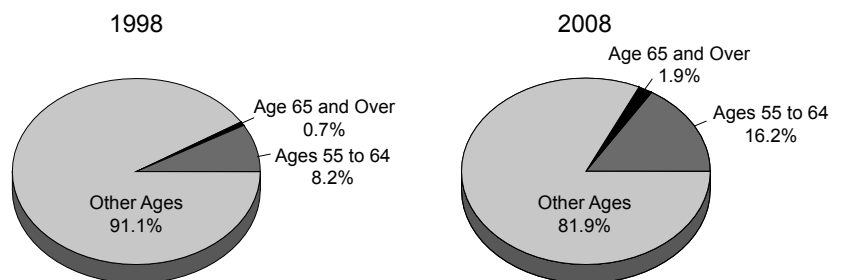
Workers' Median Wages¹ by Age Alaska, 1998 and 2008 **2**



¹ The median wage for all ages is the "middle" wage when all the workers' wages are arranged from smallest to largest.

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

How Wages Break Down by Age¹ Alaska, 1998 and 2008 **3**



¹ Chart shows the percentage of total wages earned by older workers.

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

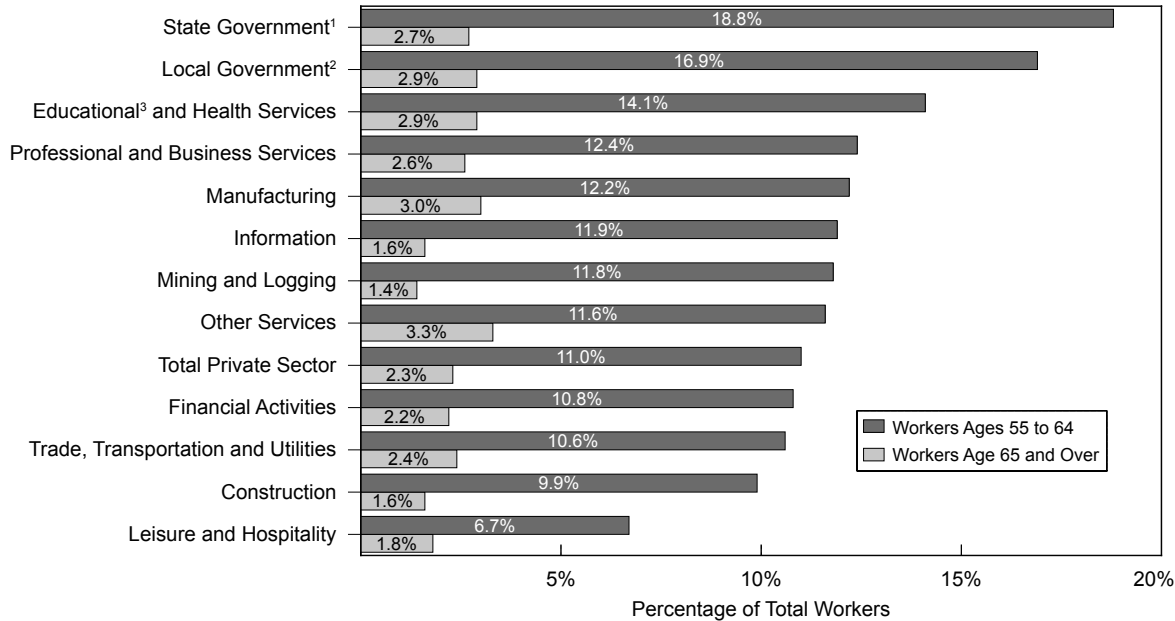
ity of newly hired workers were under age 30. (See Exhibit 6.) As workers begin to settle into longer term jobs, their tendency to change jobs appears to subside. Between the ages of 30 and 50, the number of new hires seems to stabilize and ultimately decline after age 50 as workers retire or stay put for the duration of their careers.

Top employers of older workers

In terms of worker counts, the State of Alaska was the largest employer of older workers in both the 55 to 64, and the 65 and over categories. Anchorage School District and the Municipality of Anchorage were the largest local government employers of older workers. In the

4 Older Workers by Industry

Percentage of total workers, Alaska 2008



Note: Includes private sector, state and local government workers.

¹ Includes the University of Alaska

² Includes public school systems

³ Private education only

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

5 Top Occupations¹ with Highest Percentages of Older Workers

Alaska resident workers, 2008

Occupation	Median Age	Percent Workers 55 to 64	Percent Workers 65+	Occupation	Median Age	Percent Workers 55 to 64	Percent Workers 65+
Education Teachers, Post-secondary	54.5	42.9%	7.1%	Urban and Regional Planners	48	26.6%	0.4%
Vocational Education Teachers, Post-secondary	53	37.3%	8.9%	Occupational Health and Safety Specialists	48	25.6%	1.8%
English Language and Literature Teachers, Post-secondary	51	33.6%	9.6%	Ship Engineers	48	25.4%	1.1%
Business Teachers, Post-secondary	53	33.6%	11.8%	Licensed Practical and Licensed Vocational Nurses	48	25.2%	2.5%
Mathematical Science Teachers, Post-secondary	53	33.5%	14.9%	Natural Sciences Managers	50	25.1%	3.1%
Librarians	51	31.5%	3.7%	Tank Car, Truck, and Ship Loaders	49	25.0%	3.2%
Chief Executives	52	31.4%	5.7%	Respiratory Therapists	48	24.2%	0.8%
Education Administrators, Post-secondary	52	31.1%	6.0%	Library Technicians	47	24.2%	1.3%
Adult Literacy, Remedial Education, and GED Teachers and Instructors	49	30.7%	7.9%	Editors	47	23.8%	5.4%
Legislators	52	29.0%	17.2%	Detectives and Criminal Investigators	47	23.6%	1.1%
Special Education Teachers, Middle School	49	28.9%	2.3%	Social and Community Service Managers	46	23.4%	3.0%
Construction and Building Inspectors	51	28.6%	5.2%	Electrical and Electronic Equipment Maintenance, Installation and Repairers, All other	47	23.1%	1.5%
Education Administrators, Elementary and Secondary School	50	28.5%	2.5%	Purchasing Managers	49	22.8%	3.0%
Special Education Teachers, Secondary School	49	28.5%	1.3%	First-Line Supervisors/Managers of Production and Operating Workers	49	22.6%	1.9%
Instructional Coordinators	49	27.4%	2.8%	Education Administrators, All Other	45	22.6%	3.2%
Post-secondary Teachers, All Other	50	27.4%	10.5%	Compliance Officers, Except Agriculture, Construction, Health and Safety, and Transportation	46	22.5%	1.6%
Substitutes, Teachers and Instructors, Multi-level except post-secondary	47	27.2%	7.4%	Medical and Public Health Social Workers	44	22.5%	1.1%
Appraisers and Assessors of Real Estate	48	27.2%	2.3%	Tax Preparers	43	22.4%	7.5%
Bus Drivers, Transit and Intercity	52	27.2%	11.6%	Medical and Health Services Managers	48	22.4%	2.0%
Secondary School, Vocational Education Teachers	49	26.7%	3.4%	Business Operations Specialists, All Other	48	22.4%	3.9%

¹ Occupations with 100 or more total workers

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

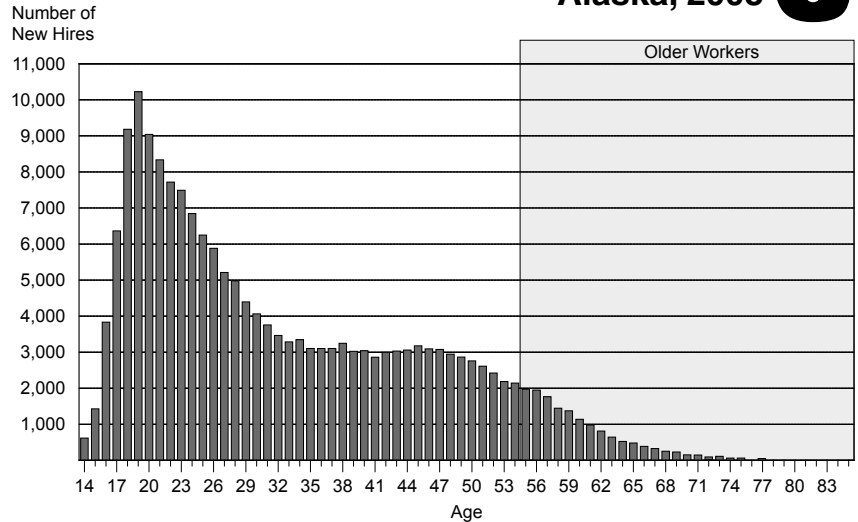
private sector, Providence Hospital employed the largest number of workers ages 55 to 64, and Wal-Mart employed the largest number of workers age 65 and over. Safeway and Fred Meyer also appeared high on the list of worker counts between age 55 and 64. Oil industry employers such as BP Exploration and the Alyeska Pipeline Service Co. also had higher numbers of workers ages 55 to 64. (See Exhibit 7.)

Looking ahead

As older workers retire, state and local government are the two industries most likely to feel the impact. Private-sector industries tend to have a smaller percentage of older workers, but the Educational and Health Services industry stands out as having a higher occurrence of older workers.

Occupations related to education including teachers of various kinds have a high percentage of older workers and higher median ages. In health care-related occupations, registered nurses have a large number of workers approaching retirement and could potentially leave a labor shortage in an already hard to fill occupation.

Number of New Hires¹ by Age Alaska, 2008 **6**



¹ A new hire is defined as a worker that did not work for the reporting employer in any of the previous four quarters.

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

Top 30 Employers¹ of Older Workers Alaska resident workers, 2008 **7**

Rank	Employer Name	Number of Workers Age 55 to 64	Number of Workers Age 65+
1	State of Alaska	3,250 to 3,499	250 to 499
2	Anchorage School District	1,500 to 1,749	100 to 249
3	University of Alaska	1,250 to 1,499	100 to 249
4	Providence Hospital	500 to 749	0 to 49
5	Municipality of Anchorage	500 to 749	0 to 49
6	Fairbanks North Star School District	500 to 749	50 to 99
7	Mat-Su Borough Schools	250 to 499	0 to 49
8	Wal-Mart Associates	250 to 499	100 to 249
9	Kenai Peninsula Borough Schools	250 to 499	0 to 49
10	Safeway	250 to 499	0 to 49
11	NANA Management Services	250 to 499	0 to 49
12	Fred Meyer Stores	250 to 499	0 to 49
13	BP Exploration Alaska	250 to 499	0 to 49
14	Alyeska Pipeline Service Company	100 to 249	0 to 49
15	Alaska Native Tribal Health Consortium	100 to 249	0 to 49
16	Alaska Airlines	100 to 249	0 to 49
17	Banner Health System	100 to 249	0 to 49
18	Juneau School District	100 to 249	0 to 49
19	Lower Kuskokwim School District	100 to 249	0 to 49
20	VECO Alaska Inc	100 to 249	0 to 49
21	ConocoPhillips Company	100 to 249	0 to 49
22	ASRC Energy Services O&M	100 to 249	0 to 49
23	Doyon/Universal Services J/V	100 to 249	0 to 49
24	Laidlaw Transit	100 to 249	0 to 49
25	Yukon Kuskokwim Health Corporation	100 to 249	0 to 49
26	Southeast Alaska Regional Health Consortium	100 to 249	0 to 49
27	Spennard Builders Supply	100 to 249	0 to 49
28	Southcentral Foundation	100 to 249	0 to 49
29	Alaska Railroad Corporation	100 to 249	0 to 49
30	North Slope Borough	100 to 249	0 to 49

¹ Employers with 100 or more total workers

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

Not everyone gets a paycheck

Although the vast majority of Alaskans earn their living by working for someone else, there are roughly 34,000 people – a little over 10 percent of the state's work force – who earn all or most of their living by their own wits.

The self-employed are sometimes known as entrepreneurs, freelancers, risk-takers and business owners. They are often individuals who go out into the economy and create their own employment and economic opportunities. In many ways, being self-employed can be the simplest form of entrepreneurship.

For many, it represents the ultimate pursuit of the American dream – the desire to become one's own boss. According to surveys, individuals who are self-employed feel better about their jobs.

In a 2009 a national survey of 1,139 adult workers,¹ 39 percent of the self-employed workers were completely satisfied with their

¹ The September 2009 survey data included 254 self-employed workers and 885 wage and salaried workers. The survey was part of the Pew Research Center's Social and Demographic Trends project.

jobs, compared to 28 percent of their wage and salaried counterparts. In that same survey, 32 percent of the self-employed said the main reason they worked was because they wanted to, compared to 19 percent for the rest of the work force.

It takes all kinds

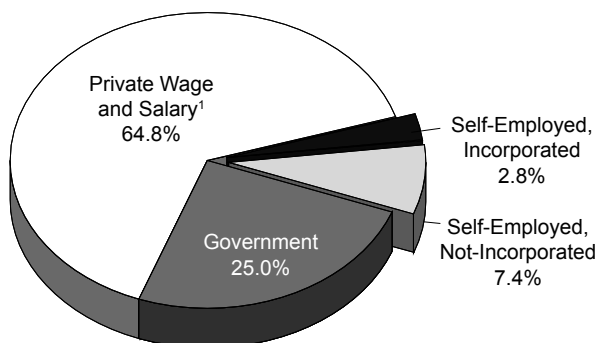
The self-employed represent the full occupational spectrum in our labor market. The difference is they work for themselves and not for others. They include massage therapists, doctors, construction contractors, fishermen, tour-guide operators, lawyers, mechanics, embalmers, restaurateurs, pilots, beauticians, consultants and others.

Kind of hard to count

Less is known about self-employed workers than workers who receive paychecks. Payroll employment data are tracked via payroll taxes and other administrative means and functions in a highly regulated environment, but data for self-employed workers are more ambiguous. As a result, self-employed workers are more difficult to count. This difficulty translates into less consistent and detailed information for those who work for themselves.

Nevertheless, there are sources. Historically, the self-employed in Alaska and around the country were regularly counted when the U.S. Census Bureau conducted its decennial census. During the 2010 Census, they aren't collecting this information. However, the Census Bureau is collecting data about the self-employed through the American Community Survey, which is the

1 A Slice of the Work Force Alaska's self-employed, 2006 to 2008



¹ A very small group of unpaid family members, 1,179, are added to this group; they're not normally included with private wage and salary workers.

Source: U.S. Census Bureau, American Community Survey 2006-2008

primary source for this article.² Survey data used for this article pertain to Alaska residents. In this survey, residents are defined as individuals that have lived in or plan to live in the state for more than two months. In addition, decennial census³ data are used for historical trend analysis of Alaska's census areas.

How are the self-employed counted?

Self-employed workers were counted based on how they responded to survey questions about their "class" of employment. For the purposes of this article, there are two groups: the self-employed who worked at their own incorporated business;⁴ and the self-employed who worked at their own, not-incorporated business – this accounts for the largest group of the self-employed. (See Exhibit 1.) There are differences between these groups which will be discussed later in this article.

When a person had more than one job, his or her "class" was determined by the job worked at the most. For example, a fisherman who might also spend some time as a part-time bartender counts as self-employed.

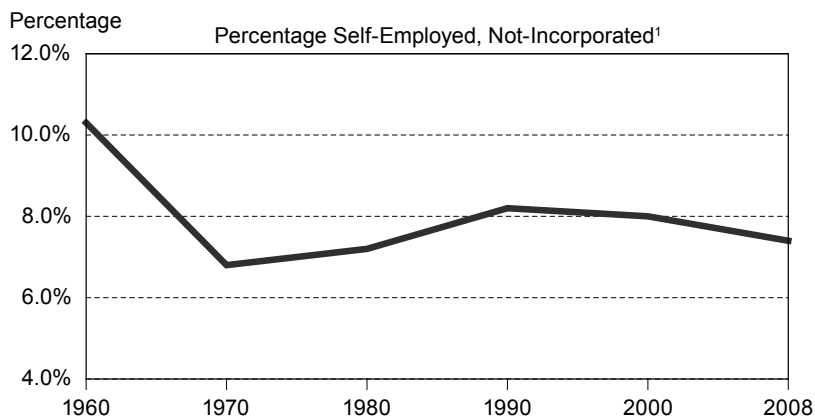
Its share has changed little

The self-employed share of total employment fell significantly between 1960 and 1970. (See Exhibit 2.) Since that time, it appears the number of self-employed has grown at about the same rate as the rest of the work force, and its share of the total work force has changed little over the past four decades.

Alaska – about average

The self-employment rates for Alaska and the nation are essentially the same. (See Exhibit 3.) In 2008, 10.5 percent of Americans worked for themselves compared to 10.2 percent for Alaskans. The numbers vary considerably from a

Their Share of the Work Force Self-Employment in Alaska, 1960 to 2008 **2**



¹ The self-employed who have companies that are incorporated aren't included in this exhibit. Sources: U.S. Census Bureau, decennial census, 1960-2000, and American Community Survey, 2006-2008

Percent of Work Force Self-employed 2006-2008 **3**

United States	10.5%	Kentucky	9.5%	North Dakota	12.7%
Alabama	9.4%	Louisiana	10.1%	Ohio	8.3%
Alaska	10.2%	Maine	13.7%	Oklahoma	11.1%
Arizona	10.1%	Maryland	8.9%	Oregon	12.7%
Arkansas	11.0%	Massachusetts	9.7%	Pennsylvania	8.7%
California	12.0%	Michigan	9.2%	Rhode Island	9.5%
Colorado	12.6%	Minnesota	10.5%	South Carolina	9.7%
Connecticut	10.3%	Mississippi	9.5%	South Dakota	13.3%
Delaware	8.2%	Missouri	9.7%	Tennessee	10.3%
Florida	12.4%	Montana	15.6%	Texas	10.1%
Georgia	10.3%	Nebraska	11.8%	Utah	9.9%
Hawaii	11.6%	Nevada	8.2%	Vermont	15%
Idaho	13.3%	New Hampshire	11.4%	Virginia	8.9%
Illinois	8.8%	New Jersey	9.2%	Washington	10.8%
Indiana	8.3%	New Mexico	11.1%	West Virginia	7.9%
Iowa	10.8%	New York	10.0%	Wisconsin	9.2%
Kansas	10.1%	North Carolina	10.1%	Wyoming	12.2%

Source: U.S. Census Bureau, American Community Survey 2006-2008

high of 15.6 percent in Montana to a low of 7.9 percent in West Virginia.

Many work part-time

Among the self-employed, the full-time and part-time picture varies significantly. For those self-employed in incorporated businesses, nearly 65 percent work full time, year-round compared to 57 percent for the overall civilian-employed population. However, for the not-incorporated group, part-time employment is the norm – only 45 percent work full-time, year-round.

² The most current data from the American Community Survey is from 2006 to 2008.

³ The decennial census is a count of the U.S. population conducted every 10 years by the Census Bureau in years ending in zero.

⁴ Self-employed workers who own an incorporated business are typically counted in the private sector; but for the purpose of this article, they are counted as self-employed.

4 Self-Employed¹ by Industry Alaska, 2006-2008

	Incorporated Business Workers		Not-incorporated Business Workers		Total	
	Number	Percent	Number	Percent	Number	Percent
Civilian employed population 16 years and over	9,239	2.8%	25,408	7.7%	34,647	10.5%
Natural Resources and Mining	467	2.9%	1,788	11.1%	2,255	14.0%
Construction	1,868	6.5%	4,569	15.9%	6,437	22.4%
Manufacturing	338	2.5%	731	5.4%	1,069	7.9%
Wholesale Trade	194	2.6%	313	4.2%	506	6.8%
Retail Trade	1,003	2.7%	1,894	5.1%	2,897	7.8%
Transportation, Warehousing and Utilities	345	1.3%	1,539	5.8%	1,884	7.1%
Information	147	2.1%	252	3.6%	399	5.7%
Financial Activities	849	5.3%	1,987	12.4%	2,836	17.7%
Professional and Business Services	1,653	6.0%	4,437	16.1%	6,090	22.1%
Educational and Health Services	999	1.4%	2,998	4.2%	3,997	5.6%
Leisure and Hospitality	851	3.1%	2,031	7.4%	2,882	10.5%
Other Services	583	3.6%	2,997	18.5%	3,580	22.1%
Government	-	0.0%	-	0.0%	-	0.0%

¹ Data were not available for nonresidents working in Alaska. If a worker had more than one job, his or her job class was determined by the job worked at the most.

Source: U.S. Census Bureau, 2006-2008 American Community Survey

Construction, professional and finance are big

The probability of being self-employed was higher in the construction, professional, scientific, and management industries than all the other private-sector industries. (See Exhibit 4.) In the construction field, many small contractors are self-employed. There are also many lawyers, accountants, doctors, engineers, veterinarians, architects and others who work at their own businesses. The self-employed are also well represented in the financial industries. Many independent insurance agents and most realtors fit the definition of the self-employed.

Other service occupations are high on the list including: barbers, personal care services, nail salons, household repair services, pet care, laundry services and others who experience high levels of self-employment.

Fishermen and entertainers are very common occupations

Nearly 41 percent of all farming, fishing and forestry occupations count among the self-employed, making it the occupational category with the highest concentration of self-employed. (See Exhibit 5.)

There are not very many farmers in Alaska, and most individuals working in the forestry industry earn a wage or salary. This occupational group is mostly fishermen. Moreover, fishermen are the quintessential Alaskan group of self-employed – rugged individuals, out there in the open seas, with their own boat and crew (who are also classified as self-employed).

However, not too far behind them are the arts, design and entertainment occupations that include artists, freelance writers, musicians, a few dog mushers and others. The personal care, management and legal occupations also have large groups of individuals working for themselves.

More likely to be male and older

It is more common to be male and self-employed.⁵ Approximately 60 percent of the self-employed were male compared to 54 percent for the entire work force. Women made up 40 percent of the self-employed but 46 percent of the overall work force. Part of the explanation for this pattern is that some of the larger self-employed occupational and industry groups are male dominated – particularly fishing and construction. In addition, according to national data, older workers are more likely to be self-employed than younger workers.

Lots of self-employed in Southeast

The likelihood of being part of the self-employed work force varies around the state. The most recent numbers for all areas of Alaska come from the 2000 census, and there's little reason to believe there were any major changes in these relationships. (See Exhibit 6.)

The self-employment rate was highest in the Wrangell-Petersburg Census Area, where 19.3 percent of its work force was self-employed

⁵ Data were provided by the American Community Survey, 2006-2008.

compared to a low of 2.2 percent in the North Slope Borough. Why the difference? The oil industry and government dominate employment on the North Slope. There are few self-employed workers in the oil industry and none in the government.

In Haines, resident fishermen exist in large numbers, but the rest of its economy tends to be dominated by small businesses that include retail shops, visitor-related companies – such as charter operations – and other types of services. Self-employment is in the double digits for most areas of Southeast, except for Juneau – which has a large number of government jobs. The Southeast population also tends to be older than the rest of the state, and self-employment is higher among older workers.

In most of rural Alaska, the percentage of self-employed is small. This may be because the public sector and nonprofit health care/social service agencies are often big players in these areas. The private for-profit sector is less common and the population is much younger. There are of course exceptions. The Denali Borough is one – the huge presence of the visitor industry may explain its large share of the self-employed.

They are not getting rich

The earnings picture for the self-employed is a mixed story. For the small group of self-employed in their own incorporated business, the median earning was the highest of all other groups. (See Exhibit 7.) This might not be surprising since there are probably a large concentration of high paid professionals such as lawyers, doctors, engineers, accountants and others.

For the larger group of self-employed workers in the not-incorporated businesses, the earnings picture is not pretty. In fact, of all classes of workers, their median⁶ earnings were the lowest – this is even true for those who worked full-time. But the fact that a

⁶ The median is the middle number in the series of earnings arranged from lowest to highest.

Self-Employed by Occupation Alaska, 2006-2008 **5**

	Percent at Incorporated Businesses	Percent at Not-incorporated Businesses	Total
Total Occupations	2.8%	7.7%	10.5%
Farming, fishing and forestry	6.7%	34.0%	40.7%
Arts, design, entertainment, sports and media	6.1%	26.9%	33.0%
Personal care and service	2.4%	25.8%	28.2%
Legal	8.1%	10.9%	19.0%
Management	7.0%	10.3%	17.3%
Sales and related	5.0%	10.8%	15.8%
Construction and extraction	2.4%	12.6%	15.0%
Building and grounds clearing and maintenance	2.0%	11.9%	13.9%
Business and financial	2.5%	8.7%	11.2%
Healthcare practitioner and technical	5.1%	4.2%	9.3%
Transportation and material moving	1.8%	6.8%	8.6%
Installation, maintenance, and repair	2.3%	5.7%	8.0%
Production	1.6%	5.6%	7.2%
Life, physical and social science	2.8%	3.9%	6.7%
Architecture and engineering	1.4%	2.9%	4.3%
Computer and mathematical	0.9%	3.4%	4.3%
Health support	0.3%	3.9%	4.2%
Office and administrative support	1.7%	2.1%	3.8%
Education, training and library	0.3%	2.5%	2.8%
Food preparation and serving related	0.8%	2.0%	2.8%
Community and social services	1.3%	1.1%	2.4%
Protective services	0.0%	0.2%	0.2%

Source: U.S. Census Bureau, 2006-2008 American Community Survey

Self-Employed By Area Alaska, 2000 **6**

	Percent Self-employed		Percent Self-employed
Statewide	8.0%	Lake and Peninsula Borough	4.0%
Aleutians West Census Area	2.3%	Matanuska-Susitna Borough	10.9%
Aleutians East Borough	7.2%	Nome Census Area	3.6%
Anchorage, Municipality	7.0%	North Slope Borough	2.2%
Bethel Census Area	3.6%	Northwest Arctic Borough	3.3%
Bristol Bay Borough	5.9%	Prince of Wales Area	11.5%
Denali Borough	10.0%	Sitka Borough	12.5%
Dillingham Census Area	7.0%	Skagway-Hoonah-Angoon CA	13.1%
Fairbanks North Star Borough	6.5%	Southeast Fairbanks Census Area	10.8%
Haines Borough	17.0%	Valdez-Cordova Census Area	11.9%
Juneau Borough	8.2%	Wade Hampton Census Area	1.9%
Kenai Peninsula Borough	12.7%	Wrangell-Petersburg Census Area	19.3%
Ketchikan-Gateway Borough	8.1%	Yakutat Borough	9.8%
Kodiak Island Borough	9.4%	Yukon-Koyukuk Census Area	5.4%

¹ Includes only not-incorporated self-employed

Source: U.S. Census Bureau, 2000 Census

7 Median Earnings¹ By Job Class Alaska, 2006-2008

Civilians employed population 16 years and over with earnings	\$36,166
Self-employed in own incorporated business workers	\$52,830
Self-employed in own not incorporated business workers and unpaid family workers	\$29,118
Employee of private company workers	\$31,802
Private not-for-profit wage and salary workers	\$35,963
Local government workers	\$40,740
State government workers	\$45,427
Federal government workers	\$51,918

¹ 2008 inflation-adjusted dollars

Source: Source: U.S. Census Bureau, 2006-2008, American Community Survey

majority of these individuals worked part-time also affected their earnings. Proprietary income data from the U.S. Department of Commerce⁷ paints a similar picture – in 2008 the average earnings of proprietors was \$29,021 compared to \$47,000 for wage and salary earnings.

Plenty of self-employed workers have enjoyed major financial success, but it appears that high earnings do not attract most of these individuals into the life of the self-employed. Statistics for motivation are hard to find. It is possible that “getting rich” is a major driving force, but it’s just not usually realized for most. On the other hand, the old adage “whatever floats your boat” may be the best answer for why a large number of individuals in Alaska pursue the life of the self-employed.

⁷ The proprietary data is from the U.S. Department of Commerce Bureau of Economic Analysis.

A Safety Minute

Importance of an Effective Safety and Health Program

(1) Profit – Safety and health programs increase worker productivity, reduce time off and typically reduce employers’ insurance expenses more than what the programs cost.

(2) Risk Management – Safety and health programs reduce both the frequency and severity of injuries and illnesses on the job. Costs of future injuries are easier to predict and fewer serious injuries are repeated.

(2) Regulatory Compliance – The federal Occupational Safety and Health Administration requires employers to: (a) provide a workplace free from known serious hazards, and (b) comply with all applicable OSHA standards. In addition, many contracts require contractors or sub-contractors to have a safety program and a low injury and illness rate.

(4) Goodwill – The business environment benefits when all stakeholders feel the employer has an effective safety and health program and considers safety to be a top priority.

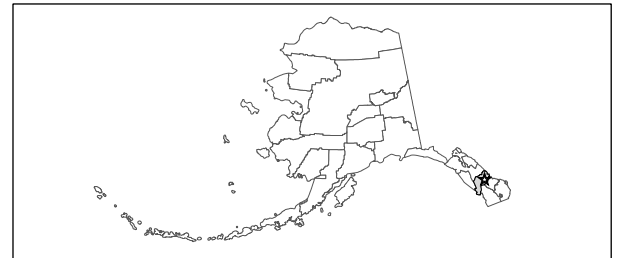
Safety and health consultants with the Alaska Department of Labor and Workforce Development’s Occupational Safety and Health provide free assistance and tools for employers and workers to reduce worksite injuries. AKOSH is within the Labor Standards and Safety Division. For more information, call (800) 656-4972.

The story of a 100-year-old fishing community

Ask Alaskans what they know about Petersburg and if they don't know anything else, you can be sure they'll mention at least two things: fishing and Norway. Perhaps no other mostly non-Native community in Alaska is so identified with its cultural past as Petersburg.

Named after Peter Buschmann, a Norwegian immigrant who opened a cannery on his homestead there in the late 1890s, the community is located about halfway between Juneau and Ketchikan on the northwest part of Mitkof Island where the Wrangell Narrows meets Frederick Sound.

Access to rich fishing grounds and a picturesque Southeast Alaska location – that probably felt much like their native Norway – helped attract Buschmann's fellow countrymen and other Scandinavians and northern Europeans to the area.



By 1910, the population of Petersburg had grown to nearly 600, and papers were filed to incorporate the community as a municipality.

One hundred years later, residents are busy boiling the lutefisk, rolling the lefse and donning their horned Viking helmets in celebration of their community's centennial.

But Petersburg isn't all about rosemaling and little shrimp. In this article we'll look at more.

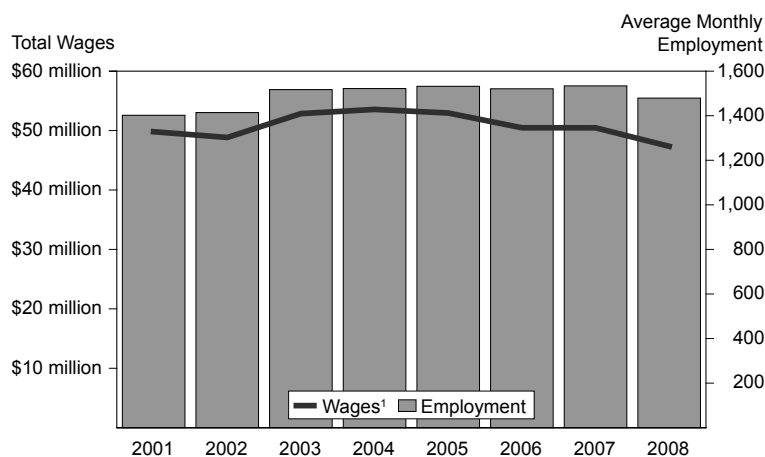
Who lives there?

Though the community identifies strongly with its Norwegian roots, when Buschmann arrived in the late 1890s, Tlingit Indians were already there and fishing. In the 2000 Census, 12 percent of the Petersburg population self-reported to be at least part American Indian or Alaska Native. Almost 87 percent were white, 4.5 percent Asian and the remainder some other race.¹

Petersburg's estimated 2009 population was 2,973. That's a loss of about 250 since the 2000 Census and marks the first time since the early 1980s that the city's population has dipped below 3,000.

Petersburg's population story isn't unlike that of many other small Southeast Alaska communities.

1 Petersburg's Wages and Employment 2001 to 2008



¹ In 2008 inflation adjusted dollars

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

¹ Respondents were given the option of selecting one or more race categories to indicate their racial identities.

2 Fisheries Earnings¹ Petersburg, 1999-2008

Year	Permit Holders with at Least One Landing	Total Pounds Landed	Estimated Gross (2008 constant dollars)
1999	372	68,894,920	\$46,519,040
2000	379	41,628,650	\$41,086,980
2001	375	64,538,490	\$41,175,330
2002	371	54,715,480	\$35,358,600
2003	365	70,931,300	\$42,319,460
2004	381	71,775,370	\$46,325,710
2005	376	71,879,420	\$45,129,430
2006	381	47,883,780	\$48,238,040
2007	379	66,479,160	\$54,787,670
2008	378	46,727,070	\$55,398,640

¹ Estimated earnings adjusted for inflation using the U.S. Consumer Price Index.

Source: Alaska Commercial Fisheries Entry Commission (CFEC)

The median² age for the Petersburg Census Area (which includes Kake, Kupreanof, Port Alexander and surrounding areas) was estimated at 40.8 years in 2009, up 3.6 years from the 2000 Census's 37.2 years. This is significantly higher than the statewide estimated median age of 33.5 years in 2009, up only 1.1 years from 32.4 in 2000.

The relatively high median age of residents is partly responsible for a lower than statewide-average birthrate and a higher than statewide-average mortality rate. There is also a general trend of migration away from rural areas toward more urban ones in the state. Petersburg's economy has been at best, fairly flat: wage and salary employment is fairly constant, but total wages have declined since 2004. (See Exhibit 1.) These, as well as other factors have combined to keep the city's population from growing in recent years.

Alaska Department of Labor and Workforce Development estimates that of the more than 1,200 wage and salary workers that claimed Petersburg as their residence in 2008 – not counting federal, military or self-employed workers – 189 were between 55 and 64 years old, and another 22 were more than 65 years old.³ About 46 percent of its residents who worked in 2008

² Half of the residents in the area are younger than the median and half are older.

³ See the article on older workers in this issue.

were at least 45 years old compared to 39 percent of the state's.

Fishing and fish processing

Fish harvesting and processing have been traditional forces in Petersburg's economy, and many of the city's residents still earn their primary income from fishing or processing.

Wage and salary data exclude self-employed workers involved with fish harvesting. However, the Alaska Department of Fish and Game's Commercial Fisheries Entry Commission estimates that in 2008, 378 fish harvesters (permit holders who made at least one landing) and 419 crewmembers fished 784 permits targeting salmon, halibut, sable fish, crab, herring, a variety of groundfish and other species. The group earned \$55 million⁴ in estimated gross earnings. (See Exhibit 2.)

Though not directly comparable, Petersburg's annual average monthly wage and salary employment of almost 1,500 jobs generated more than \$47 million in 2008. The impact that fishing has on the community's economy can't be overstated.

Near term issues

Like many Southeast and other Alaska communities, Petersburg will be impacted again this year from a drop in halibut catch limits. The catch limit for Area 2C, Southeast Alaska, was set at 4.4 million pounds for 2010 by the International Pacific Halibut Commission, a cut of more than 12 percent from 2009.

This summer, Ocean Beauty Seafoods won't operate its plant in the city for the first time since it acquired the plant in 1984. The closure is expected to be for this season only and is related to an expected poor pink salmon run.

But even a one-season closure will mean fewer fishing boats will need gearing up and fewer processing workers will frequent local restau-

⁴ Gross earnings are currently the most reliable data available, but they aren't directly comparable to wages as expenses have not been deducted.

rants, bars and stores. It will mean the city will collect lower fisheries business and sales tax revenue and that a major water and electricity customer won't be buying utilities for the season. The city generated \$2.8 million in sales taxes and received a share of more than \$765,000 in fisheries business taxes in 2009.

The other two major processors in Petersburg, Trident Seafoods and Icicle Seafoods will be operating this summer, but their hiring levels will likely be dependent on the pink run as well.

Employment

Petersburg is a fishing community that attracts tourists. As might be expected with this combination, employment is going to be seasonal.

Private-sector wage and salary employment was almost 2½ times greater in August 2008 than it had been in January of that year. Seafood processing is responsible for most of the seasonal difference.

Traditional tourism-related industries, such as leisure and hospitality, and retail trade, show seasonal increases each year as well.

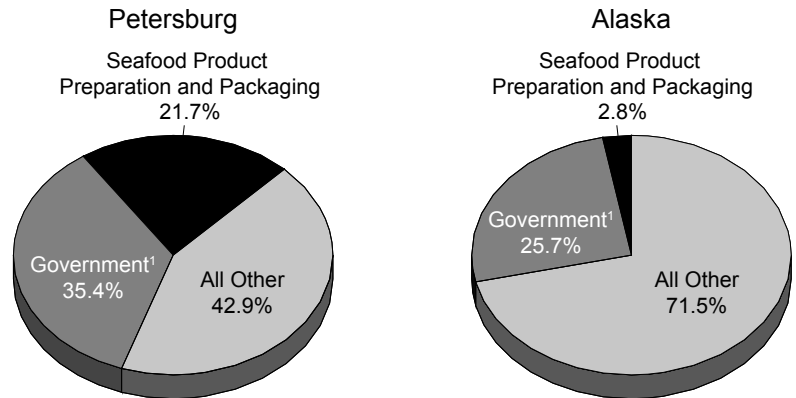
Government is an important employer for the area accounting for about 35 percent of total employment. (See Exhibit 3.)

Local government was the largest single industry sector in 2008 with a monthly average of almost 360 employees. It accounted for nearly a quarter of all wage and salary employment and more than a quarter of all wages for the area in 2008. (See Exhibit 4.) There are small decreases in local government in the summer, mostly due to summer school closures.

State government employs an average of about 50 in Petersburg, mostly with the Departments of Fish and Game, and Transportation.

More than 100 federal employees work out of Petersburg. Most of them are with the U.S. Forest Service. Employment for Forest Service peaks during summer months.

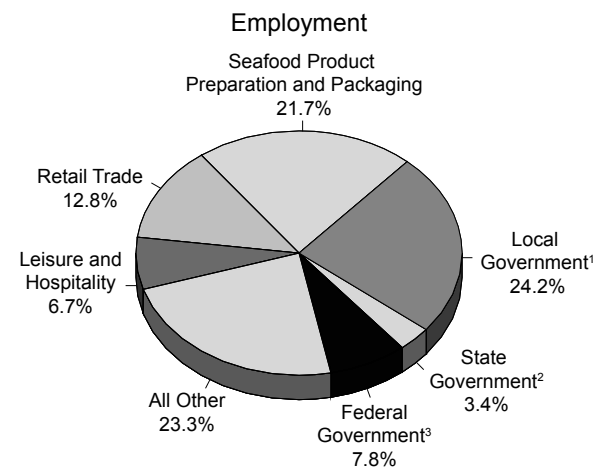
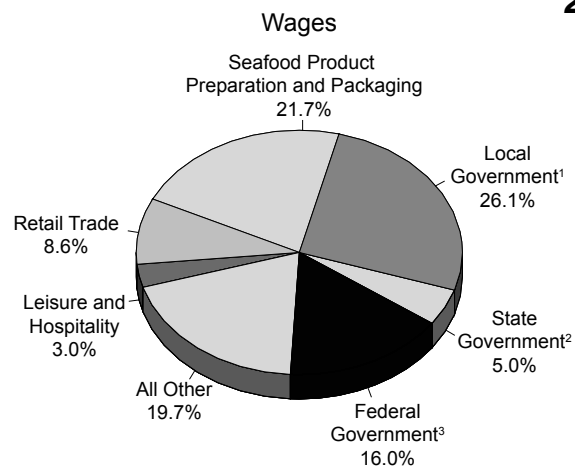
Seafood and Government are Big Wage and salary jobs, 2008 3



¹ The government category includes the University of Alaska and public school systems, but doesn't include the uniformed military.

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

Petersburg Employment and Wages 2008 4



¹ Includes public school systems

² Includes the University of Alaska

³ Excludes the uniformed military

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

5 Petersburg Top Employers 2008

Company	Average Monthly Employment in 2008
Icicle Seafoods (Petersburg Fisheries)	100 to 249
City of Petersburg	100 to 249
Federal Government	100 to 249
Petersburg School District	100 to 249
Petersburg Medical Center	50 to 99
Hammer & Wikan	50 to 99
Trident Seafoods Corporation	50 to 99
Ocean Beauty Seafoods	50 to 99
State Government	50 to 99
The Trading Union	20 to 49

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

Employers and occupations

Petersburg Fisheries, now a subsidiary of Icicle Seafoods with roots going back more than 100 years in Petersburg, was the largest employer in Petersburg in 2008. The City of Petersburg and the federal government were second and third respectively. (See Exhibit 5.)

Three of the top four private-sector wage and salary employers in Petersburg were seafood processors. Five of the top 10 are government-related.

Though most of the workers who work in the city's seafood processing plants are not from the area, there are a significant number who do claim Petersburg as their residence. Enough, in fact, that in 2008 there were more resident workers who were meat, poultry and fish cutters than any other single occupation.

Tourism

Tourists have visited Petersburg for years, but as other traditional sources of the economy have struggled, the community has embraced tourism even more.

More than 50,000 tourists visit Petersburg each year. Alaska Airlines has daily flight service going both north and south and the community is serviced by the state ferry system. Small cruise ships deliver visitors to one of two docks: one for small vessels downtown and a second for

larger vessels within a mile of downtown. More than 7,000 cruise ship passengers arrived in 2009 on about 90 port calls.

Petersburg doesn't have a convenient deep-water port, so the very large cruise ships that arrive in other Southeast communities are not able to dock in Petersburg.

When visitors do arrive there are the typical Southeast adventure tours and outdoor experiences, lodging and dining opportunities, and shops, most of which stay open all year (Petersburg was included in *Coastal Living* magazine's list of the top-10 bed and breakfast towns in 2008). Petersburg hasn't yet added the inexpensive T-shirt shops and jewelry stores found in some other Southeast towns.

What's ahead?

This year, Petersburg is celebrating its centennial in true Petersburg style. Monthly events are planned that began with a polar dip in January and will culminate with a centennial ball in December. In between, among other events scheduled to mark the important year, is the city's annual – and famous – Little Norway Festival in May.

But in the midst of the celebration, there's cause for some concern at least in the short-term. A low expected pink salmon run, a temporary processor closure and anticipated lower-than-hoped-for money coming into the city coffers are ahead for this summer.

But Petersburg is first and foremost a fishing community that understands the impacts that stock level and fish price fluctuations have on the whole community. This is just part of living in Petersburg. This is the way it's been since Peter Buschmann first arrived and is most likely the way it will be for the foreseeable future.

Unemployment rate at 8.6 percent in March

Alaska's seasonally adjusted unemployment rate for March was 8.6 percent, and February's revised unemployment rate was 8.5 percent. The comparable national rate was 9.7 percent. The unemployment rates for both Alaska and the U.S. remain higher than a year ago, but Alaska's rate is still below the national rate. (See Exhibits 1 and 3.)

Some possible signs of improvement

There is, however, some potentially good news on the unemployment claimant front. For the first time since the recession began, the total number of unemployment weeks claimed for all programs between February and March, fell below levels claimed one year ago. More data will be necessary to see whether this is a permanent trend or monthly aberration.

A different way of measuring the jobless

Despite the improving outlook, the jobless picture goes beyond the monthly numbers. For example, there's little doubt that the number of discouraged workers has grown during this period

of higher unemployment. Some people believe there are no job opportunities and have given up looking for work. These people are not accounted for in the official unemployment rate.

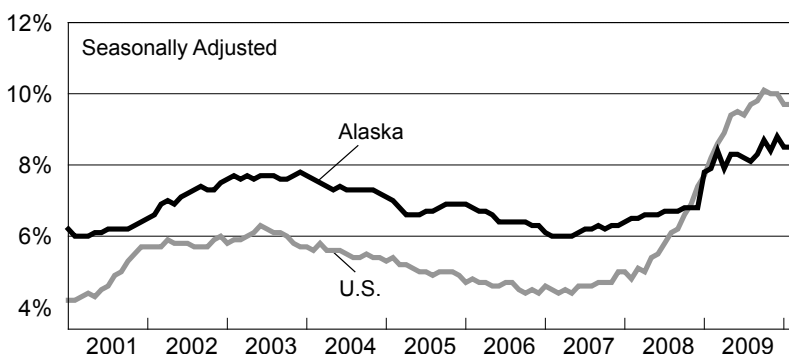
There was also an increase in the number of part-time workers who would rather be working full-time. Taking this into account, the Bureau of Labor Statistics produces what it calls alternative measures of labor underutilization – monthly for the U.S. and yearly for the states. The alternative measures are a product of the monthly Current Population Survey and broaden the definition of unemployment.

This broad definition of unemployment includes total unemployed, marginally attached workers,¹ and part-time workers that wanted a full-time job but couldn't find one due to economic reasons.

When all these extra factors are added into the civilian labor force calculations, the alternative rate for Alaska in 2009 was 13.8 percent, compared to 8.0 percent for the official, not seasonally adjusted rate. Prior to the recession, the alternative rate in 2007 was 11.2 percent for Alaska. The alternative rate for the nation in 2009 was 16.2 percent.

¹ Workers surveyed that wanted to work, were available, and looked for a job during the prior 12 months. These workers did not look for work during the past four weeks, and therefore, weren't counted in the traditional jobless rate.

1 Unemployment Rates, Alaska and U.S. January 2001 to March 2010



Sources: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics

Changes in Producing the Estimates

The U.S. Department of Labor's Bureau of Labor Statistics has implemented a change to the method used to produce statewide wage and salary employment estimates, which has resulted in increased monthly volatility in the wage and salary estimates for many states, including Alaska.

Therefore, one should be cautious in interpreting any over-the-year or month-to-month change for these monthly estimates. The Quarterly Census of Employment and Wages series may be a better information source (labor.alaska.gov/qcew.htm).

2 Statewide Employment Nonfarm wage and salary

	Revised			Year-Over-Year Change		
	3/10	2/10	3/09	3/09	90% Confidence Interval	
Alaska						
Total Nonfarm Wage and Salary¹	313,100	311,100	309,000	4,100	-3,283	11,483
Goods-Producing ²	41,500	41,400	41,000	500	-2,384	3,384
Service-Providing ³	271,600	269,700	268,000	3,600	-	-
Mining and Logging	15,100	15,000	15,500	-400	-1,193	393
Logging	200	200	100	100	-	-
Mining	14,900	14,800	15,400	-500	-	-
Oil and Gas	12,700	12,700	13,400	-700	-	-
Construction	13,200	13,000	13,600	-400	-2,983	2,183
Manufacturing	13,200	13,400	11,900	1,300	306	2,294
Wood Product Manufacturing	300	300	300	0	-	-
Seafood Processing	9,400	9,400	8,400	1,000	-	-
Trade, Transportation, Utilities	61,200	60,500	60,000	1,200	-1,172	3,572
Wholesale Trade	6,100	6,000	6,200	-100	-656	456
Retail Trade	35,300	34,800	33,800	1,500	-528	3,528
Food and Beverage Stores	6,600	6,500	6,100	500	-	-
General Merchandise Stores	10,300	10,000	9,500	800	-	-
Transportation, Warehousing, Utilities	19,800	19,700	20,000	-200	-1,238	838
Air Transportation	5,600	5,800	5,800	-200	-	-
Truck Transportation	2,900	2,900	2,900	0	-	-
Information	6,400	6,400	6,700	-300	-881	281
Telecommunications	4,200	4,400	4,400	-200	-	-
Financial Activities	13,700	13,900	14,300	-600	-2,543	1,343
Professional and Business Services	24,000	23,600	25,500	-1,500	-3,293	293
Educational⁴ and Health Services	40,200	40,300	38,500	1,700	432	2,968
Health Care	29,300	29,200	27,700	1,600	-	-
Leisure and Hospitality	27,700	27,500	27,500	200	-1,837	2,237
Accommodations	6,000	6,100	6,100	-100	-	-
Food Services and Drinking Places	17,700	17,500	17,500	200	-	-
Other Services	11,400	11,200	11,200	200	-2,976	3,376
Government	87,000	86,300	84,300	2,700	-	-
Federal Government ⁵	17,000	16,500	16,300	700	-	-
State Government	26,300	26,100	25,600	700	-	-
State Government Education ⁶	8,100	8,000	8,000	100	-	-
Local Government	43,700	43,700	42,400	1,300	-	-
Local Government Education ⁷	24,800	25,100	24,400	400	-	-
Tribal Government	3,700	3,700	3,500	200	-	-

4 Regional Employment Nonfarm wage and salary

	Revised			Changes from		Percent Change	
	3/10	2/10	3/09	2/10	3/09	2/10	3/09
Anch/Mat-Su	167,300	166,500	167,100	800	200	0.5%	0.1%
Anchorage	148,300	147,400	148,400	900	-100	0.6%	-0.1%
Gulf Coast	27,100	26,400	26,800	700	300	2.7%	1.1%
Interior	42,000	41,800	42,300	200	-300	0.5%	-0.7%
Fairbanks ⁸	36,800	36,300	36,500	500	300	1.4%	0.8%
Northern	19,950	19,900	20,450	50	-500	0.3%	-2.4%
Southeast	32,700	32,200	32,750	500	-50	1.6%	-0.2%
Southwest	19,400	19,300	19,650	100	-250	0.5%	-1.3%

A dash indicates that confidence intervals aren't available at this level.

¹ Excludes the self-employed, fishermen and other agricultural workers, and private household workers; for estimates of fish harvesting employment, and other fisheries data, go to labor.alaska.gov/research/seafood/seafood.htm

² Goods-producing sectors include natural resources and mining, construction and manufacturing.

³ Service-providing sectors include all others not listed as goods-producing sectors.

⁴ Private education only

⁵ Excludes uniformed military

⁶ Includes the University of Alaska

⁷ Includes public school systems

⁸ Fairbanks North Star Borough

Sources for Exhibits 2 and 3: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics

Sources for Exhibit 4: Alaska Department of Labor and Workforce Development, Research and Analysis Section; also the U.S. Department of Labor, Bureau of Labor Statistics, for Anchorage/Mat-Su and Fairbanks

3 Unemployment Rates Borough and census area

	Prelim.	Revised	
	3/10	2/10	3/09
SEASONALLY ADJUSTED			
United States	9.7	9.7	8.6
Alaska Statewide	8.6	8.5	7.5
NOT SEASONALLY ADJUSTED			
United States	10.2	10.4	9.0
Alaska Statewide	9.6	9.7	8.3
Anchorage/Mat-Su Region	8.6	8.5	7.3
Anchorage Municipality	7.9	7.7	6.5
Mat-Su Borough	11.4	11.3	10.0
Gulf Coast Region	11.8	12.3	10.3
Kenai Peninsula Borough	12.9	13.3	11.1
Kodiak Island Borough	7.6	7.8	6.4
Valdez-Cordova Census Area	12.0	13.5	11.5
Interior Region	9.8	9.9	8.5
Denali Borough	28.9	27.6	17.9
Fairbanks North Star Borough	8.7	8.7	7.5
Southeast Fairbanks CA	13.2	13.8	11.5
Yukon-Koyukuk Census Area	19.7	20.0	18.0
Northern Region	11.0	10.9	9.1
Nome Census Area	14.6	14.8	12.6
North Slope Borough	5.5	5.3	4.4
Northwest Arctic Borough	16.7	16.0	13.0
Southeast Region	10.0	10.4	9.6
Haines Borough	14.5	14.5	15.2
Hoonah-Angoon Census Area ¹	25.2	27.3	28.3
Juneau Borough	7.1	7.3	6.7
Ketchikan Gateway Borough ¹	10.4	10.6	9.2
Prince of Wales-Outer Ketchikan CA ¹	19.5	20.1	19.8
Sitka Borough	7.6	8.3	7.3
Skagway Municipality ¹	26.2	30.5	20.9
Wrangell-Petersburg CA ¹	13.5	14.6	13.3
Yakutat Borough	15.1	16.3	15.9
Southwest Region	13.5	13.5	12.1
Aleutians East Borough	8.1	8.0	7.1
Aleutians West Census Area	4.1	4.6	3.8
Bethel Census Area	16.8	16.4	14.8
Bristol Bay Borough	12.6	13.5	12.6
Dillingham Census Area	12.2	12.3	11.2
Lake and Peninsula Borough	13.5	15.1	12.4
Wade Hampton Census Area	22.5	22.3	21.1

¹ Because of the creation of new boroughs, this borough or census area has been changed or no longer exists. Data for the Skagway Municipality and Hoonah-Angoon Census Area (previously Skagway-Hoonah-Angoon Census Area) became available in 2010. Data for the Wrangell Borough, and Petersburg and Prince of Wales-Hyder census areas will be available in 2011. Until then, data will continue to be published for the old areas.

For more current state and regional employment and unemployment data, visit our Web site:

laborstats.alaska.gov

Employer Resources

Alaska Resident Hire

In some cases, employers are legally responsible for hiring qualified Alaskans over nonresident workers. The statewide hiring preference covers most public construction contracts in Alaska. The resident-hire requirements allow for hiring nonresident workers only after reasonable efforts to recruit Alaskans and formal approval from the Department of Labor and Workforce Development.

Alaska resident-hire requirements apply to occupational categories with relatively high resident unemployment rates. The Commissioner of Labor and Workforce Development has determined the State of Alaska to be a Zone of Underemployment. A Zone of Underemployment requires that eligible Alaska residents be given a minimum of 90 percent employment preference on public works contracts in certain job classifications.

The statewide hiring preference applies on a project-by-project, craft-by-craft, or occupational basis, and must be met each workweek by each contractor or subcontractor. The current resident-hire determination is effective from July 1, 2009, through June 30, 2011. The laws apply to the following 21 protected job classifications:

boilermakers	mechanics
bricklayers	millwrights
carpenters	painters
cement masons	piledriving occupations
culinary workers	plumbers and pipefitters
electricians	roofers
equipment operators	sheetmetal workers
foremen and supervisors	truck drivers
insulation workers	tugboat workers
ironworkers	welders
laborers	

The first person on a certified payroll in any classification is called the “first worker” and is not required to be an Alaskan resident. Once the contractor adds any more workers, all workers in the classification are counted, and the 90 percent rule is applied to compute the number of required Alaska residents to be in compliance.

If a worker performs job duties in more than one classification during a workweek, the classification in which they spent the most time is counted for employment preference purposes. If the time is split evenly between two classifications, the worker is counted in both.

If an employer has difficulty meeting the 90 percent requirement, an approved waiver must be obtained before a nonresident is hired. The waiver process requires proof of an extensive search for qualified Alaskan workers.

For more information about Alaska Resident Hire law, please contact the nearest Wage and Hour Office in Anchorage (907) 269-4900, Fairbanks (907) 451-2886 or Juneau (907) 465-4842, or visit <http://labor.state.ak.us/lss/whhome.htm>.