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The Kenai Peninsula

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Frank H. Murkowski
Governor of Alaska

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From the Governor

Kenai Peninsula: beauty, resources, dynamic Alaskans

By Governor Frank H. Murkowski

When I took office in December 2002, the State of Alaska was spending more than it was taking in. Sometimes without realizing it, we had adopted the mistaken idea that development of our resources could only occur with a negative impact on the environment.

It was urgent and necessary that we craft a new blueprint for a prosperous Alaska with a foundation of resource, energy, and economic development. It was urgent that we take decisive action to create good jobs and wages for working Alaskans.

We still have much to do. But almost two years later Alaskans are seeing a new vitality and productivity. That spirit and energy is in abundance on the Kenai Peninsula, the focus in this issue of *Alaska Economic Trends*.

The Kenai Peninsula is blessed with a wonderful combination of beauty and natural resources. However, its greatest resource is its people. "The Kenai" represents all the opportunities that Alaska has to offer. Richly diverse in its economy and its geography, the Kenai Peninsula is an attractive place to do business. New industries are growing and small businesses and entrepreneurs are helping create new jobs.

One reason for economic success on the Kenai Peninsula is its world-class workforce. Employers know that locating here provides them with a pool of potential employees that will arrive well educated and trained to perform the job. An untold story, yet a huge part of real economic development, is the role of well trained and educated workers. The Peninsula provides many examples of how a well-coordinated training and education system works for residents.

The Kenai Peninsula does an outstanding job of developing and supporting its human resources. Borough and city government representatives work together to ensure essential services are provided. Regional and economic development advisory committee volunteers from business, industry and education collaborate to identify and prioritize resource projects to energize their economy and quality of life.

One of our success stories is the Alaska Vocational Technical Center in Seward. This Alaska Department of Labor and Workforce Development program provides career and technical training leading to good paying jobs. Last year alone, more than 1,700 Alaskans received AVTEC training, with nearly 500 of them from the Kenai Peninsula.

Mariners come from all over to train on one of the world's most advanced bridge simulators. Future chefs enroll in the only American Culinary Federation accredited cooking school in Alaska. Information technology professionals learn with the latest in computers. Agreements with the University of Alaska allow Pipe Welding, Business and Office Technology, Automotive, Diesel/Heavy, and Information Technology graduates to continue working towards an associate degree.

Seniors in good standing attending Seward High School can enroll full time at AVTEC and graduate with a diploma, plus certification from AVTEC enabling them to go to work or continue their education right here in Alaska.

The Kenai Peninsula is blessed with a wonderful combination of beauty and natural resources. However, its strong commitment to economic development is preparing its greatest resource – its people — to meet the diverse challenges of today and the future.

The Kenai Peninsula

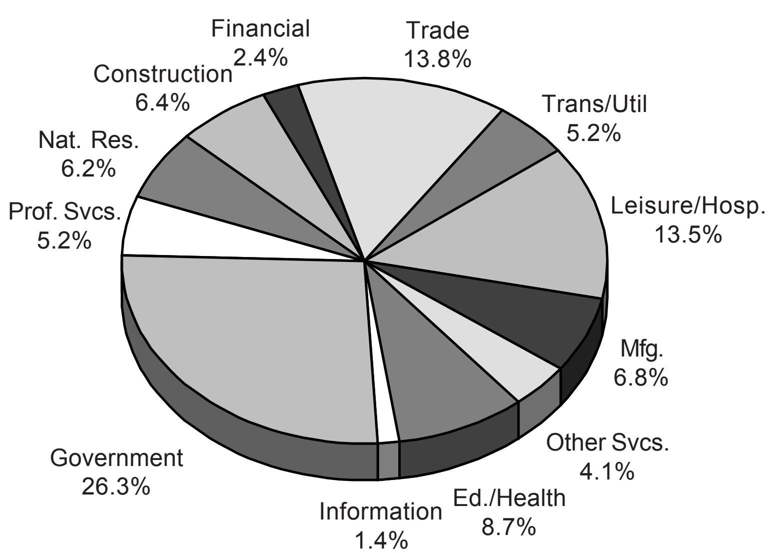
by Neal Fried and
Brigitta Windisch-Cole
Economists

An economy that benefits from diversity

Few economies, if any in this state, have bragging rights equal to those of the Kenai Peninsula Borough. Most communities struggle to diversify their economies, but the Kenai Peninsula accomplished this long ago. (See Exhibit 1.) Fishing, the visitor industry, oil and gas, refining, government, and its attractiveness as a haven for retirees, are the fundamental economic drivers of the Kenai Peninsula economy. Each category, upon examination, reveals particulars that further enhance the diversity.

The Kenai's visitor industry is defined not only by the number of cruise ships that dock in Seward, but also by the thousands of independent visitors from around the world and nation, along with the hordes of Alaskans that descend on the Peninsula every year. Its fishery is defined not only by its diverse, rich commercial fishery; it also includes a large and famous sport fishery, without rival in the state. Its oil and gas industry not only supports local activity but it is home to service companies that also do work on the North Slope. It generates value added activity such as oil refining and petrochemical manufacturing. In addition, a significant number of Kenai Peninsula residents work on the North Slope but spend their paychecks locally. And they aren't the only ones. It appears a growing number of people are choosing to live on the Peninsula because of the quality of life it offers at an affordable price. Their income source is elsewhere—sometimes in the form of a retirement check or sometimes a paycheck from elsewhere in the state. Not last, nor least, is the continued expansion of the region's support sector—retail, health care, and professional services. As a result of this expansion, Peninsula residents are satisfying fewer of their needs from Anchorage or elsewhere but instead do so locally. This effectively keeps more income close to home and generates further economic activity.

1 Where People Work
In the Kenai Peninsula Borough
Wage and salary employment 2003



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

The Peninsula's diversity does not guarantee economic health. Struggles and periods of economic woe do come, and the past five years furnish plenty of examples. But when one of the sectors goes through a period of difficulty, the others keep the overall economy afloat. Also, there is always the possibility that one of the industries that has a foothold in the economy will go through an expansionary period.

Growth modest since 2000

In a bygone era, the Kenai Peninsula's economy was on a fast track, like much of the state's economy. In the 1970s, employment grew by seven percent a year and in the 1980s by five percent per year. In the 1990s the pace moderated to two percent per year and over the past four years it has further slowed to approximately one percent per year. (See Exhibit 2.) There are several reasons for the slowing of the pace of growth. A number of the industries that have historically been characterized as the backbone of the Peninsula's economy have struggled in recent years. This group includes the commercial fisheries, the oil and gas industry, and timber. Even its visitor industry went through some leaner years. All of these industries remain important elements in the economy but they are not shouldering growth as they did in the past. Instead it is the area's support industries that keep its economy moving ahead, albeit at a much slower pace.

A deep and broad visitor sector

It is probably no exaggeration to characterize the Kenai Peninsula's visitor industry as the most diverse in the state and one of the most developed. It reaches out to every corner of the borough. Its location and wide variety of attractions make for an unbeatable combination. Access is easy—it is within a short driving distance of the state's largest city and airport and is also accessible by sea for cruise ships and the state ferry system. Activities include sightseeing, hiking, camping, nature watching, boating, hunting, and a sport fishery of world renown, the largest in the state. Unlike many other visitor destinations that depend on one category of visitor, the Peninsula gets them all—cruise ship visitors, independents from around the country and world, and a heavy dose of Alaska visitors, most of whom come from the Anchorage/Mat-Su region but from elsewhere as well. Many of the in-state visitors bring visiting relatives with them. This diverse support for the Peninsula's visitor industry enables it to adjust to dramatic changes, such as losing many of its cruise ship passengers to another port, or general national economic woes.

Probably the single largest attraction on the Peninsula is sport fishing. The Kenai/Russian River system is the single most heavily utilized sport fishery in the state. And besides this there are the huge sport fisheries of Seward, Homer, Soldotna, Kenai and Ninilchik. In 2003, 848 guided fish charter boats were operating on the Peninsula—making it the hands down largest charter boat fleet in the state. Charter boat users are a minority of sport fishermen; most of them fish on their own.

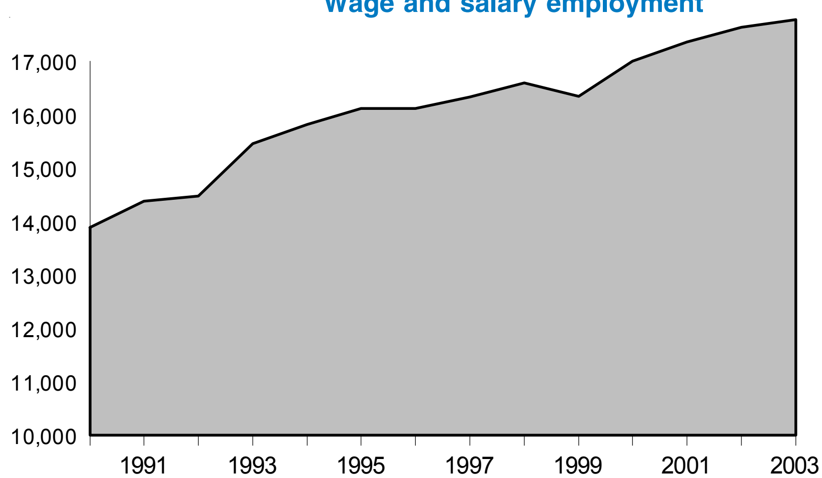
In 2003, visitor related taxable sales reached $71.9 million, or nearly ten percent of all taxable sales in the borough. In 1991 visitor taxable sales represented only seven percent of all sales. Between 2000 and 2003 employment in the leisure and hospitality industry increased by 332 jobs—bested only by health care & social assistance. (See Exhibit 3.) New hotels such as the Aspen Hotel in Soldotna and new eating and drinking places have bolstered these numbers.

The single largest blow to the Peninsula's visitor sector came this summer season when half of the cruise ships that normally dock in Seward chose to dock in Whittier instead. This will be a significant hit for Seward, but the city's visitor industry is diverse enough to weather this big loss.

Oil and gas sector struggles

The state's first oil production came out of Cook Inlet and some believe it ensured Alaska's statehood. But this also makes it Alaska's mature oil province. Oil production on the Peninsula peaked in 1970 at 226,000 barrels of oil per day compared to 29,000 today—so it certainly has seen bigger days in the past. Unlike oil, natural

Employment Growth About 1%
Per year 2000–2003, Kenai Peninsula **2**
Wage and salary employment



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

gas production has remained far more stable and has helped stem even steeper employment declines. The natural gas produced on the Peninsula generates power and heat for most of the homes in Southcentral Alaska. Despite its status as Alaska's "over-the-hill" oil province, the local industry remains an important economic actor—particularly on the Central Peninsula.

Oil and gas is still the single largest source of high paying jobs. In 2003, the oil and gas industry directly generated approximately 1,000 wage and salary jobs on the Peninsula, or nearly six percent of all wage and salary employment. Because of the higher wages, (see Exhibit 4) it represents almost 12 percent of all wage and salary payroll. This is a conservative number because firms such as construction contractors, logistics support, and others that are directly engaged by the industry are not included in these figures. Not only does this industry play an important employment role, but nine of the Peninsula's top ten taxpayers are attached to the oil industry.

3 Kenai Peninsula Borough
Average monthly employment by industry sector

	2000	2001	2002	2003	Change '00-'03	Percent Change '00-'03
Total Wage and Salary Employment[3]	16,994	17,361	17,628	17,774	780	4.6%
Agriculture, Forestry, Fishing, Hunting[1]	21	26	22	31	10	47.6%
Natural Resources[2 3]	1,422	1,322	1,366	1,108	-314	-22.1%
Logging	70	69	65	71	1	1.4%
Mining[3]	1,352	1,253	1,301	1,037	-315	-23.3%
Oil and Gas[3]	1,320	1,221	1,264	999	-321	-24.3%
Construction	1,034	1,195	1,200	1,133	99	9.6%
Manufacturing	1,347	1,213	1,075	1,200	-147	-10.9%
Seafood Processing	656	467	328	562	-94	-14.3%
Trade, Transportation, Utilities	3,434	3,510	3,580	3,378	-56	-1.6%
Wholesale	200	268	268	197	-3	-1.5%
Retail	2,276	2,263	2,330	2,260	-16	-0.7%
Transportation, Warehousing, Utilities	958	979	982	921	-37	-3.9%
Information	194	246	262	253	59	30.4%
Financial Activities	422	414	445	426	4	0.9%
Professional Services	702	779	829	921	219	31.2%
Educational & Healthcare Services	1,219	1,277	1,346	1,545	326	26.7%
Healthcare/Social Assistance	1,136	1,202	1,269	1,481	345	30.4%
Leisure & Hospitality	2,062	2,094	2,191	2,394	332	16.1%
Accommodations & Eating & Drinking	1,804	1,820	1,894	2,055	251	13.9%
Accommodations	603	591	603	691	88	14.6%
Eating and Drinking	1,201	1,229	1,291	1,364	163	13.6%
Other Services	706	801	773	726	20	2.8%
Government	4,427	4,486	4,538	4,658	231	5.2%
Federal Government	436	414	428	427	-9	-2.1%
State Government	1,027	1,059	1,085	1,096	69	6.7%
Local Government[4]	2,964	3,013	3,025	3,135	171	5.8%
Local Education	1,413	1,442	1,340	1,370	-43	-3.0%
Tribal Government[4]	151	116	138	154	3	2.0%

[1] Excludes logging (2000-2003)
[2] Includes logging (2000-2003)
[3] Adjusted for reporting error (2000)
[4] Adjusted for classification error (2000)

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

Another important factor is that this industry provides support to the North Slope oil fields. The 2000 Census counted 755 Kenai Peninsula residents working on the North Slope. Only Anchorage and the Mat-Su Borough provide more workers. If these workers are being paid the average oil industry wage, the injection of cash coming from outside the Peninsula adds up to a significant economic force.

Much of the oil industry's infrastructure is old and big new investments are not on the horizon. In recent years employment went through another period of downsizing—321 fewer jobs existed in 2003 than in 2000. Even the size and life of Cook Inlet's gas reserves are being debated—some believe that at current use they could begin to run dry by 2015. Higher natural gas prices are spurring additional exploration and could prevent declines of natural gas production. In 2003 Unocal found the Happy Valley gas field near Ninilchik and built a spur line. Marathon Oil just made a discovery in the Kasilof area that might prove commercial.

Some of the oil platforms are for sale and a few have been shut down. But periodically there is a strong renewed interest in exploration. Stalwarts such as Chevron, Mobil, Shell and others have left the area, but they have been replaced by new companies such as Pelican Hill, XTO Energy, Union Texas Petroleum Corp., and Forest Oil. Both Forest Oil and ConocoPhillips Petroleum have plans to drill new prospects and XTO Energy is reworking older properties. So companies remain that believe promising potential still exists on the Peninsula.

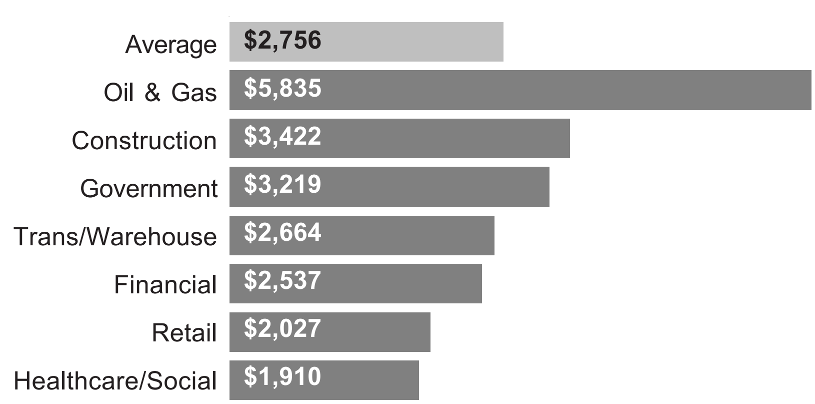
This is only part of the story. Much of Cook Inlet's oil and gas provides feedstock for a number of "value added" activities. They include Tesoro's oil refinery, Agruim's urea and ammonia plant, and ConocoPhillips Petroleum's LNG plant—the only exporter of natural gas in the state. Together, the former two employ 436 workers. (ConocoPhillips' numbers are already counted in the oil industry.) If these other related payrolls are included with the oil and gas industry's earnings, then eighteen percent of the Peninsula's payroll comes from the hydrocarbon sector. Employment among this group of employers has declined—specifically in the Agrium plant, which recently cut its workforce by 60. A recent ruling in favor of Agrium should prevent further layoffs in the short term.

Commercial fishing loses economic strength

Twelve years ago, the seafood industry was by far the most important source of income for residents of the Kenai Peninsula Borough, but times have changed. In the peak year of 1992, the local harvest exceeded $129.3 million. No other industry, not even the public sector, produced a larger gross payroll. Participation in the various fish species was high. A decade later in 2002, (the most recent data recorded by the Commercial Fisheries Entry Commission) Kenai Peninsula fishermen landed a smaller harvest, down nearly 30 percent from 1992 volume, but the value of the catch had fallen much more dramatically. The 2002 harvest brought just $50.5 million. (See Exhibit 5.) This translates to a drop of 61 percent in harvester earnings from ten years ago without factoring in the impacts of inflation.

Salmon prices are the cause. In 1992, salmon, the most targeted and most abundant species, contributed 68 percent to local harvester earnings. By 2002 salmon dropped to 30 percent, and halibut became the largest contributor to earnings (see Exhibit 6) with a share of harvest volume of just seven percent. The Commercial Fisheries

Average Monthly Earnings 4
Kenai Peninsula Borough–2003



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

Entry Commission's records of 2002 confirmed that average fishing income for local halibut fishermen, a group of 333 individual quota owners in 2002, ranked much higher than average earnings of the local 774 salmon permit holders. Last year, Homer became the halibut capital of the state, recording the most pounds landed while Seward claimed the top spot in sablefish deliveries.

Most Kenai Peninsula salmon fishermen lower their nets in Cook Inlet and in neighboring areas of Prince William Sound or Kodiak, but a fleet of more than 100 boats travels west to salmon grounds in Bristol Bay, the Alaska Peninsula, or the Chignik area. Salmon prices differ from one area to the next but usually Cook Inlet red salmon is considered a premium fish, fetching higher prices than red salmon caught in most neighboring and western areas. Halibut, cod, and other groundfish harvesters of the Kenai Peninsula typically fish in the Gulf of Alaska and boat size often determines the individual harvest volume and fishing effort. The Kenai Peninsula's crab fleet consists of only a few members who make the long voyage to the fishing grounds of the Bering Sea.

Salmon harvest prices push the industry into decline

Permit holders, crews, and seafood processing employment have been affected everywhere by the plunge in salmon prices. A look at the number of Kenai Peninsula permit holders actually fishing reveals the downturn in participation. In 2002, only 1,029 local fishermen, who own one or several species permits, attempted to earn income from commercial fishing. Participation fell by 32 percent compared to 1992. In the same period, average monthly seafood processing employment suffered a loss of 572 jobs, which means that the Kenai Peninsula seafood processing crew of 2002 was only half as strong as in 1992. Moreover, several processing plants have ceased to operate in the past twelve years due to lack of profits. Adverse developments in salmon markets have turned the Kenai Peninsula's most profitable industry into a weaker performer. In 2002, retail's total payroll was larger than local fishing income.

Although total fishing earnings for 2003 and 2004 have not been computed, harvest data indicate that Cook Inlet fishermen had two good years. Catches of red salmon, the most profitable salmon species for local fishermen, were up in 2003 and 2004. Prices were up slightly in 2003 but whether they held in 2004 is still questionable. (Red salmon harvest prices for Cook Inlet were not available.) Prices in several other areas fell this year because of the abundant harvests. High fuel costs during the 2004 season will also impact fishermen's earnings.

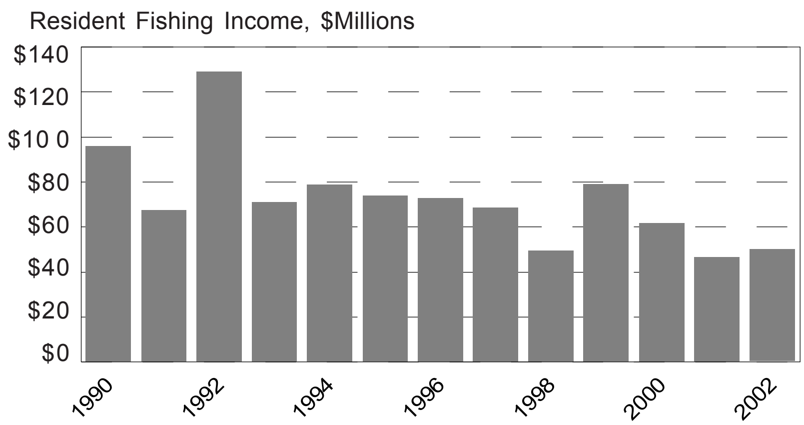
Services keeps overall employment in the black

The Peninsula's service sector is what kept employment inching forward in recent years—probably no surprise to residents, particularly those living on the Central Peninsula. A real standout was the growth in health care & social assistance, which mirrors its phenomenal growth in every corner of the state. During the past three years it grew by more than 30 percent.

Another industry in the services sector that has done quite well is leisure & hospitality, which reaps major benefits from the visitor industry. New hotels, lodges, and restaurants have insured further expansion of this industry.

Population growth and "import substitution" are other important factors in the expansion of the

5 Several Lean Years
For Kenai Peninsula fishermen



Source: Commercial Fisheries Entry Commission

Peninsula's service sector. More business services, health care, personal services and other types of services are now available locally. Because the Peninsula now provides for more of its own needs, the economic multiplier effect of these expenditures grows, which in turn leads to additional expansion in these industries.

One industry in the service sector that did not grow was retail trade. Retail employment actually declined between 2000 and 2003, the opposite of statewide trends. This is largely the result of the closure of Kmart in March 2003 when approximately 100 jobs were lost in the City of Kenai. When the 2004 data become available, this trend will probably reverse itself because a new Home Depot with 150 employees opened in early 2004 in the old Kmart building, and by late 2005 a new Fred Meyer will open in Homer.

Government provides some stability

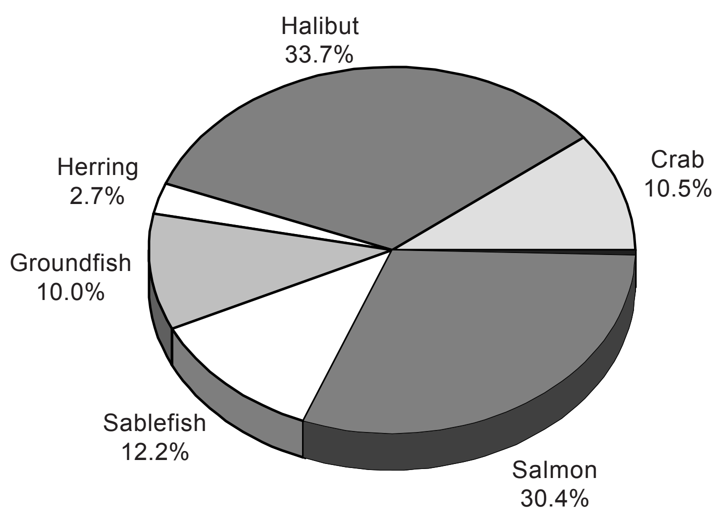
A little over a quarter of the wage and salary jobs on the Peninsula are with government—which is fairly close to the statewide average. Two thirds of these jobs are with local government, and more than half the local government jobs are in education. In fact, the single largest employer in the borough is the Kenai Peninsula Borough School District. In 2002 the district's employment declined, along with enrollment. A few schools have even closed. But the rest of local government's employment has crept up enough to more than offset these losses. One reason local government is so prominent in the borough is that both the South Peninsula and Central Peninsula hospitals receive significant local public funds and are therefore accounted for under local government. Neither federal nor state government employment levels have changed much in recent years. At the federal level the big agencies are the Federal Aviation Administration, the Bureau of Land Management, and other natural resource agencies. At the state level some of the large employers are Spring Creek and Wildwood Correctional Centers in Seward and Kenai, respectively, and the Departments of Fish and Game and Transportation.

Population now grows slowly, and is not very diverse

Since 1990 the Kenai population has grown by 26 percent, from 40,802 to 51,220 in 2003, compared to 18 percent statewide. (See Exhibit 7.) Only the boroughs of Anchorage, Fairbanks and the Mat-Su have larger populations than the Peninsula. In recent years this growth has slowed. Since 2000, its growth averaged less than one percent per year—not much different than employment, and a bit slower than statewide.

The Peninsula's geography is diffuse. Its population of more than 51,000 is spread out among 31 identified communities that formed in all shapes and sizes. Most of the population is spread out along the highways outside of incorporated communities. Five of its communities are accessible only by plane or boat. When one thinks of the Peninsula, it is usually its largest cities—Kenai, Soldotna, Homer, and Seward, that come to mind, but only 37 percent of the borough's population lives in them. The biggest population concentration lives in the area immediately surrounding the communities of Kenai and Soldotna. The areas with strong growth include Soldotna, Kasilof, Nanwalek and the Homer area. The Seward area's population has changed little since 2003 and a few communities have actually lost population.

Halibut Top 2002 Moneymaker 6
For Kenai Peninsula fishermen



Source: Commercial Fisheries Entry Commission

7 Population by Community
Kenai Peninsula Borough 2000–2003

	2000	2001	2002	2003	Change 2000-2003	Annual Average Percent Change
Kenai Peninsula Borough	49,691	50,051	50,486	51,220	1,529	0.9
Anchor Point CDP	1,845	1,824	1,797	1,826	-19	-0.3
Bear Creek CDP	1,748	1,843	1,832	1,823	75	1.3
Beluga CDP	32	24	25	26	-6	-6.4
Clam Gulch CDP	173	169	174	176	3	0.5
Cohoe CDP	1,168	1,180	1,210	1,201	33	0.9
Cooper Landing CDP	369	393	371	358	-11	-0.9
Crown Point CDP	75	90	88	78	3	1.2
Diamond Ridge CDP ***	1,802	1,821	1,112	1,086	-716	-15.3
Fox River CDP	616	597	566	563	-53	-2.8
Fritz Creek CDP	1,603	1,674	1,737	1,740	137	2.5
Funny River CDP	636	627	686	705	69	3.2
Halibut Cove CDP	35	29	28	25	-10	-10.3
Happy Valley CDP	489	507	520	503	14	0.9
Homer city ***	3,946	3,885	4,641	4,893	947	6.6
Hope CDP	137	145	152	161	24	5.0
Kachemak city	431	428	426	473	42	2.9
Kalifornsky CDP	5,846	6,041	6,145	6,230	384	2.0
Kasilof CDP	471	454	504	571	100	5.9
Kenai city	6,942	6,910	7,109	7,125	183	0.8
Lowell Point CDP	92	97	108	89	-3	-1.0
Miller Landing CDP ***	74	71	0	0	-74	—
Moose Pass CDP	206	207	216	221	15	2.2
Nanwalek CDP *	177	185	219	214	37	5.8
Nikiski CDP	4,327	4,378	4,345	4,357	30	0.2
Nikolaevsk CDP	345	340	323	313	-32	-3.0
Ninilchik CDP	772	762	761	777	5	0.2
Port Graham CDP *	171	179	175	165	-6	-1.1
Primrose CDP	93	99	92	87	-6	-2.1
Ridgeway CDP	1,932	1,969	1,961	2,011	79	1.2
Salamatof CDP *	954	896	895	902	-52	-1.7
Seldovia *	430	437	451	432	2	0.1
Seldovia city	286	307	324	300	14	1.5
Seldovia Village CDP	144	130	136	138	-6	-1.3
Seward city	2,830	2,767	2,755	2,733	-97	-1.1
Soldotna city	3,759	3,813	3,889	4,059	300	2.4
Sterling CDP	4,705	4,780	4,777	4,888	183	1.2
Sunrise CDP	18	16	14	15	-3	-5.6
Tyonek CDP *	193	162	182	193	0	0.0
Balance of Kenai-Cook Inlet census subarea	227	229	187	188	-39	-5.8
Balance of Seward-Hope census subarea	22	23	13	13	-9	-15.8
Native Villages that overlap multiple CDPs						
Kenaitze *	29,320	30,173	30,435	30,877	1,557	1.6
Ninilchik *	13,264	13,578	13,696	13,895	631	1.4

CDP–Census Designated Place
*Alaska Native Village Statistical Area
**Tribal Designated Statistical Area
*** Homer annexed part of Diamond Ridge and all of Miller Landing 3/20/02.

Sources: US Census 2000, Alaska Department of Labor and Workforce Development, Research and Analysis Section, Demographics Unit.

The borough's population is considerably less diverse than the state's. Nearly 87 percent of the population is white compared to 71 percent statewide. Native Alaskans make up the second largest group with 7.9 percent of the population, and most of these Natives belong to Kenaitze tribe. Hispanics form the next largest minority group at 2.3 percent of population. The ratio of males to females is almost identical with the rest of the state: for every 100 females there are 107 males.

The aging population may become a powerful economic force

The median age for the borough's population was 36.7 in 2002, which is four years older than the state's median age. The population of the Peninsula has a larger share of population over 55 and a smaller share younger than five. Nearly 18 percent of the borough's population is over 55 versus 14 percent statewide. A likely explanation for these demographic developments is that more residents are remaining when they retire. It is also possible that a significant number from elsewhere in Alaska and even from the contiguous states are moving to the Peninsula to retire.

One could even go so far as to speculate that in recent years, without this trend, the Peninsula might have actually lost population. From an economic standpoint, attracting retirees may be an emerging force in parts of the borough. The relatively mild climate, lower cost of living, recreational opportunities, and attractive lifestyles the Peninsula has to offer are characteristics that have often proved a powerful force in resort communitiy development around the nation. Considering the future size of this retiree population in Alaska and the nation, this trend could become a growing factor and advantage for the Peninsula.

The Kenai\Soldotna economy mirrors the borough

The Kenai/Soldotna economic area is a near mirror image of the entire Kenai Peninsula Borough. It is not only the largest region; it is home to nearly two thirds of the borough's wage and salary employment. (See Exhibit 8.) What can be said about the diversity on the Peninsula applies to this area, since it is home to all of the industries already mentioned. The area's wage and salary workforce is 460 larger than it was in 2000. Over the past four years the big losses have been in the oil and gas sector and the fishing industry. Despite these losses, both industries continue to be mainstays in the area. In fact, the Peninsula's entire oil and gas sector can be found within the confines of this area. In 2002, fishermen on the Central Peninsula earned $10.3 million

Kenai/Soldotna Area 8

Average monthly employment by industry sector

2000–2003

	2000	2001	2002	2003	Change 2000-2003	Percent Change 2000-2003
Total Wage and Salary Employment	10,934	11,241	11,478	11,394	460	4.2%
Agriculture, Forestry, Fishing and Hunting	9	12	6	6	-3	-33.3%
Natural Resources	1,369	1,268	1,316	1,054	-315	-23.0%
Logging	44	46	46	50	6	13.6%
Mining	1,325	1,222	1,270	1,004	-321	-24.2%
Oil and Gas	1,315	1,210	1,257	991	-324	-24.6%
Construction	716	861	825	742	26	3.6%
Manufacturing	904	780	686	778	-126	-13.9%
Seafood Processing	387	202	106	224	-163	-42.1%
Trade, Transportation, Utilities	1,976	2,072	2,230	2,140	164	8.3%
Wholesale	139	212	212	140	1	0.7%
Retail	1,551	1,533	1,576	1,585	34	2.2%
Transportation, Warehousing, Utilities	286	327	442	415	129	45.1%
Information	127	165	175	167	40	31.5%
Financial Activities	257	249	267	261	4	1.6%
Professional Services	566	642	696	783	217	38.3%
Educational & Healthcare Services	771	789	828	962	191	24.8%
Healthcare/Social Assistance	702	726	762	901	199	28.3%
Leisure & Hospitality	1,078	1,125	1,152	1,155	77	7.1%
Accomodations & Eating and Drinking	979	1,022	1,058	1,037	58	5.9%
Accomodations	261	281	298	269	8	3.1%
Eating and Drinking	718	741	760	768	50	7.0%
Other Services	524	556	551	520	-4	-0.8%
Government	2,639	2,723	2,746	2,827	188	7.1%
Federal Government	261	224	232	234	-27	-10.3%
State Government	535	548	560	568	33	6.2%
Local Government	1,843	1,951	1,954	2,025	182	9.9%

Note: Year 2000 and 2001 employment numbers for Kenai Peninsula School District are adjusted;
Year 2000 contains adjustment for reporting error in oil and gas

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

and fished 467 permits. Several seafood processing plants have closed and some have resumed operation, reflecting uncertainties in the salmon fisheries.

For the sake of simplicity we divided the Peninsula into three relatively large, distinct regions, the Kenai/Soldotna area or Central Peninsula, the Seward area, and the Homer region.

Over the past four years the big growth industries for the area have been professional services, healthcare and social assistance and government. Although retail employment failed to grow because of the closure of Kmart, the Central Peninsula is the undisputed center of commerce for the borough. More than 32 percent of all retail sales come out of the Central Peninsula. To some extent this has always been true, but what has changed is that local retail development is becoming a viable substitute for retail services in Anchorage. Two of the top ten employers in the area are retailers. (See Exhibit 9.) The visitor industry makes its contribution to retail, services, and other growth on the Peninsula.

The Kenai River, home of the biggest sport fishery in the state, flows through the Kenai/Soldotna area. Some have estimated a fifth of the state's sport fishing takes place on this river system. Nearly 400 guides work the river. The area is home to other major sport fisheries and visitor attractions. The Central Peninsula is also the borough government's administrative center. Headquarters of the borough, the school district, and many of the major federal and state offices are also in this region of the borough, providing some stability to the area.

Homer a hamlet?

Many Alaskans and other visitors view the community of Homer as a picturesque hamlet by the sea. In terms of population, Homer, with nearly 4,900 residents in 2003, has long since passed hamlet size. Over time it has developed from a fishing community to a tourist mecca and a commercial center serving a much larger population. In 2003, approximately 11,600 people lived in the area within a stretch of road running about 35 miles north and 25 miles east of Homer, and an additional group of 840 people lived across Kachemak Bay. Homer has preserved its small town character. It still has a fishing community and an active artist group that celebrate its natural

9 The Largest Employers
In the Kenai/Soldotna area –2003

Rank	Company/Organization	Average Monthly Employment	Business Activity
1	Kenai Peninsula Borough School District	870	Local Government
2	Central Peninsula General Hospital	396	Local Government
3	Kenai Peninsula Borough	368	Local Government
4	Frontier Community Services	330	Janitorial Services
5	Agrium US Inc.	263	Petroleum Products
6	Fred Meyer	231	Grocery/General Merchandise
7	Peak Oilfield Services	216	Oilfield Services
8	Safeway	204	Grocery Store
9	Alaska Petroleum Contractors	202	Oilfield Services
10	Tesoro Alaska Company	172	Refinery
11	Union Oil of California (UnoCal)	163	Oil and Gas Extraction
12	University of Alaska	139	State Government
13	City of Kenai	115	Local Government
14	Central Peninsula Counseling Services	115	Health Care
15	Laidlaw Education Services	110	School Bus Transportation
16	Alaska Department of Corrections	109	State Governemt
17	Lutheran Health Systems	97	Nursing Care Facility
18	VECO Alaska	95	Oilfield Services
19	Snug Harbor Seafoods	95	Seafood Processing
20	McDonald's	94	Eating Establishment

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

beauty. Homer has become popular as a retirement community and locale for summer homes. These residents, whether part-time or full time, have closer ties to the community than typical tourists. Still, Homer's visitor industry is also thriving and contributes to the support of local cottage industries including bed and breakfasts and arts and crafts.

Industry employment

Wage and salary employment in the Homer area, which includes Ninilchik and the Homer periphery, has grown steadily. Between 2000 and 2003 nearly 200 payroll jobs were created. (See Exhibit 10.) Homer's strongest job creation has been in industries that either cater to tourism or provide services to the area's population. Employment growth in health care and the leisure and hospitality industries are examples.

Government among area's largest employers

Among Homer's largest employers are three government entities. (See Exhibit 11.) Those three alone represent nearly 20 percent of the area's total wage and salary employment. The local hospital, the second largest employer, belongs to the public sector because it receives public revenues. It may also come as a surprise that Chugach Electric is on the Homer area top employer list. Its Beluga power plant, situated across Cook Inlet, is within the borough.

Lower Peninsula–the Homer Area 10
Average monthly employment by industry sector 2000–2003

	2000	2001	2002	2003	Change 2000-2003	Percent Change 2000-2003
Total Wage and Salary Employment	3,304	3,358	3,434	3,500	196	5.9%
Agriculture, Forestry, Fishing and Hunting	7	6	6	8	1	14.3%
Natural Resources	39	41	40	40	1	2.6%
Logging	25	23	19	21	-4	-16.0%
Mining	14	18	21	19	5	35.7%
Construction	229	223	228	243	14	6.1%
Manufacturing	n/a	n/a	n/a	171	n/a	n/a
Seafood Processing	n/a	n/a	n/a	138	n/a	n/a
Trade, Transportation, Utilities	834	837	845	770	-64	-7.7%
Wholesale	19	13	13	14	-5	-26.3%
Retail	n/a	n/a	n/a	425	n/a	n/a
Transportation, Warehousing, Utilities	307	313	320	331	24	7.8%
Information	47	59	63	62	15	31.9%
Financial Activities	88	85	66	64	-24	-27.3%
Professional Services	110	108	113	117	7	6.4%
Educational & Healthcare Services	293	326	350	439	146	49.8%
Healthcare/Social Assistance	291	324	348	437	146	50.2%
Leisure & Hospitality	481	480	512	567	86	17.9%
Accommodations & Eating and Drinking	417	412	439	494	77	18.5%
Accommodations	145	130	139	141	-4	-2.8%
Eating and Drinking	272	282	300	353	81	29.8%
Other Services	141	116	114	105	-36	-25.5%
Government	869	892	912	914	45	5.2%
Federal Government	70	72	76	54	-16	-22.9%
State Government	129	131	141	142	13	10.1%
Local Government	670	689	695	718	48	7.2%

n/a Data not available

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

Entrepreneurship is a key element in Homer's economic equation

According to Census 2000, Homer has the highest percentage of self-employed workers on the Kenai Peninsula. Nearly 19 percent of the local labor force had businesses, fished commercially, owned charter boats, operated them as a skipper or a deckhand, or were in other self-employment. Many of Homer's self-employed were artists or worked in other professional capacities. Tourism and commercial fishing are industries that involve a high rate of self-employment and both industries are central to Homer's economy.

Commercial fishing is the traditional industry

The Homer area has the highest number of local residents in the Kenai Peninsula Borough who depend on commercial fishing as a livelihood. Many fishermen participate in multiple fisheries often far from home. In 2002, Homer area fishermen claimed nearly 64 percent of all harvest income earned by Kenai Peninsula fishermen. This income is important for Homer's economy. The $32 million supplement amounted to a 25 percent increase to Homer's total payroll earnings in 2002.

11 Homer Area's Largest Employers 2003

Rank	Company/Organization	Average Monthly Employment	Business Activity
1	Kenai Peninsula Borough School District	311	Local Government
2	South Peninsula Hospital	268	Local Government
3	South Peninsula Behavioral Health Svcs	160	Health Care
4	City of Homer	111	Local Government
5	Lands End Resort	87	Resort
6	Safeway dba. Eagle Store	81	Grocery Store
7	Homer Electric Association	73	Utility
8	Chugach Electric Association	67	Utility
9	Deep Creek Custom Packing	54	Seafood Processing
10	Job Ready Inc.	48	Social Assistance

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

Tourism looms large

The impact of tourism on the local economy is hard to measure but it can be assumed to be large. Homer's cottage industries, including its numerous bed and breakfast places, accentuate the fact that Homer is a hospitality town. In addition, there are several hotels and many food service places to accommodate visitors. Sport fishing and sightseeing charters, street vendors on the Homer Spit, gift shops, recreational businesses, art galleries, nature information centers, and the Pratt Museum are all in business to entertain visitors.

Seward

In the Kenai Peninsula Borough, the Seward area is smallest in population. This magnificent landscape lies at the head of Resurrection Bay and between the Kenai and Chugach mountain ranges. In 2003, Seward, with its outlying areas, was home to 5,044 people who resided either within the city limits or in nearby residential neighborhoods. Its basic sector industries are government, tourism, and commercial fishing.

Overall employment growth stalls

Average monthly wage and salary employment in Seward has not advanced in the past four years. In fact, between 2000 and 2003 it showed a slight decline. (See Exhibit 12.) While public sector employment has gained ground, the private sector has registered job losses. Overall private sector employment declined by 116 jobs since 2000. Most of these losses occurred in seasonal industries. It would appear that tour operators worked with smaller staffs in 2003 than in previous seasons and that seafood processing employment also declined.

Government employment provides stability in Seward's economy

The public sector is Seward's largest employer, claiming one third of all wage and salary jobs. The Spring Creek prison is the largest employer in the area. (See Exhibit 13.) The Kenai Peninsula Borough School District is in the runner-up position. In most communities schools are on the large employer list. In addition, Seward's Alaska Vocational Technical Education Center (AVTEC) is a large and unique public sector employer. Seward benefits not only from its direct employment impact but also from the presence of a growing student population.

The visitor industry has become a staple

Seward's visitor industry differs from other areas in the borough because it is a cruise ship passenger gateway. This year, cruise ship traffic will be down 50 percent because Whittier became the preferred port of call for one major cruise ship line. Post-season calculations will determine how the downturn has impacted the local visitor industry. Yet, Seward does not rely on cruise ship clientele only. It attracts many visitors from Anchorage and elsewhere who pursue recreational activities and participate in staged special events. Seward's Fourth of July Mount Marathon race and its Silver Salmon derby have become major Alaska attractions. Its outdoor entertainment includes tours of Kenai Fjord, which provide access to maritime wildlife viewing amid a spectacular landscape. Seward also hosts weekend travelers from Anchorage, who store their recreational boats in Seward's small boat harbor. More than 80 percent of the recreational boats in this harbor belong to Anchorage boaters. The presence of a large military resort that includes a hotel, RV park, and campground is an additional bonus for Seward's visitor industries. The area's recreational potential is well known on Anchorage's large air force and army bases.

The Seward Area 12
Average monthly employment 2003

	2000	2001	2002	2003	Change 2000-2003	Percent Change 2000-2003
Total Wage and Salary Employment	2,348	2,317	2,254	2,312	-36	-1.5%
Natural Resources	13	12	9	11	-2	-15.4%
Mining	13	12	9	11	-2	-15.4%
Construction	67	84	92	73	6	9.0%
Manufacturing	277	247	206	252	-25	-9.0%
Seafood Processing	222	193	148	200	-22	-9.9%
Trade, Transportation, Utilities	589	559	458	407	-182	-30.9%
Wholesale	38	41	42	42	4	10.5%
Retail	190	187	208	203	13	6.8%
Transportation, Warehousing, Utilities	361	331	208	162	-199	-55.1%
Information	13	10	10	10	-3	-23.1%
Financial Activities	46	37	58	52	6	13.0%
Professional Services	15	20	18	14	-1	-6.7%
Educational & Healthcare Services	146	157	167	144	-2	-1.4%
Healthcare/Social Assistance	135	147	157	143	8	5.9%
Leisure & Hospitality	340	326	363	464	124	36.5%
Accommodations & Eating and Drinking	252	232	245	326	74	29.4%
Accommodations	97	89	89	158	61	62.9%
Eating and Drinking	155	143	156	168	13	8.4%
Other Services	148	118	107	103	-45	-30.4%
Government	694	747	766	774	80	11.5%
Federal Government	103	114	116	114	11	10.7%
State Government	351	368	373	374	23	6.6%
Local Government	240	265	277	286	46	19.2%

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

The seafood industry

Seward's commercial fisheries, like many in the state, have seen dramatic changes in recent years. In the past, Seward accommodated the Prince William Sound herring fleet, a fishery that has been closed in most years since the catastrophic oil spill of 1989. Despite the near collapse of the close-by herring fishery and depressed prices for salmon, harvester income did not fall as hard as in other areas in the borough. Healthy sablefish and halibut fisheries have helped to prevent the erosion of harvest values. In 2002, the two species contributed 81 percent to the harvest value of $5.3million for 45 local permit holders. Income from the salmon fishery accounted for a mere 14 percent of total payments received by fishermen for their catch. A decade earlier, 86 Seward permit holder earned $7.4 million from a more diversified fishery. Salmon yielded one third of the total harvest value. Although harvest values have declined between 1992 and 2002 by 28 percent, average earnings per individual permit holder have increased by 37 percent. Moreover, seafood processing employment in Seward has not suffered severe losses.

Summary

The strength of the Peninsula's economy is its economic and geographic diversity. That strength will not necessarily ensure future economic growth. The traditional leaders will remain important to its overall economic picture but they face challenges. Fisheries, particularly those tied to salmon, will continue to feel the global economic pressures. It will take a major oil or gas discovery to reverse the downward trend of the Peninsula's hydrocarbon sector. The outlook for its visitor industry remains robust along with its attraction as a residential area. The continued expansion of its support services should also play a positive role.

13 Largest Employers in Seward Area
2003

Company/Organization	Avg. Monthly Employment	Business Activity
Alaska Department of Corrections (Spring Creek Correctional Center)	191	State Government
Kenai Peninsula Borough School District	108	Local Government
Seward Association for Advanced Mariners (Sealife Center)	117	Aquarium/Research Institute
CIRI Alaska Tourism	96	Sightseeing/Hotel
City of Seward	93	Local Government
Icicle Seafoods	90	Seafood Processing
Alaska Dept. of Labor and Workforce Development (AVTEC)	76	State Government
Ocean Beauty Seafoods	69	Seafood Processing
U.S. Department of Agriculture (Forest Service)	66	Federal Government
Safeway (Eagle Store)	58	Grocery Store

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

Customer Satisfaction

by Jack Cannon
Research Analyst

Research and Analysis surveys user response to products and services

In order to measure user satisfaction and identify ways to improve data quality and accessibility, Research and Analysis (R&A) conducted a customer satisfaction survey. Survey results indicate that more than 80 percent of respondents were satisfied with R&A information in general. Satisfaction with specific R&A products ranged from nearly 50 percent to 95 percent.

What do users think?

R&A, the research section of the Department of Labor and Workforce Development (DOLWD), generates a number of labor market information products and provides services to those who use its data. Most labor market information, including publications and data, is now available from R&A's web page, WORKFORCE INFO http://almis.labor.state.ak.us/. From this site, users are able to access current and archival data and download it for their own purposes.

The WORKFORCE INFO website is not the only vehicle R&A uses to deliver labor market information and other workplace information. Publications such as *Alaska Economic Trends* and *Alaska Population Overview* are available on WORKFORCE INFO and are also published in hard copy. Press releases announce the monthly unemployment figures and developing stories, and R&A staff answer numerous requests for information every month.

General Customer Satisfaction with R&A Products & Services 1

	Percent Very Satisfied	Percent Somewhat Satisfied	Percent Comb. Very + Somewhat Satisfied[2]	Percent Neutral	Percent Somewhat Dissatisfied	Percent Very Dissatisfied	Percent Comb. Very + Somewhat Dissatisfied.[2]
Courtesy of staff	75	13	88	11	1	0	1
Adequacy of answers by staff to questions	62	22	84	13	3	0	3
Accuracy of the information	61	27	88	10	2	0	2
Understandability of the information	60	29	89	8	3	0	3
Relevancy to solving your problem	60	22	82	18	0	0	0
Importance of the information to your decision making	59	25	84	15	1	0	1
Timeliness of the information	54	32	86	12	2	1	3
Completeness of the information	53	36	89	8	3	0	3
Comparability with your other information	50	33	83	16	1	0	1
Degree of geographic detail offered	45	37	82	11	6	1	7
Ease in finding what you need	42	42	84	12	4	0	4

[1]Subtotals may not sum due to rounding.
[2]Column is calculated, not surveyed.

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

R&A conducted its customer survey from early May through early August 2004. The survey had four main objectives: to determine customer awareness of products and services, to measure customer general satisfaction with the R&A information, to measure satisfaction with specific R&A products, and to solicit customer feedback with an eye toward better meeting customer needs. The survey targeted existing subscribers to R&A products, Alaska businesses, and online visitors to WORKFORCE INFO. (See Methodology.)

Many employers are not familiar with R&A products

One of the targeted groups was Alaska businesses. About 62 percent of respondents drawn from a list of employers in the state said they had never used R&A products and services. Of those, slightly more than half were not aware of R&A publications or information offered, 28 percent said labor market information was not relevant to what they do, and one in five were not aware of the WORKFORCE INFO Internet site. One in 20 do not use the Internet.

R&A subscribers and visitors to WORKFORCE INFO were assumed to be somewhat familiar with R&A's products and services, and those parts of the sample were not included in this tally. When R&A subscribers and visitors to WORKFORCE INFO are included, only 37 percent of respondents say they have never used R&A products.

Most users are generally satisfied

Respondents were asked to "Rate your satisfaction with the information you got from DOLWD/R&A."

Courtesy of Staff earned highest marks with three-quarters of respondents who had occasion to directly contact R&A staff saying they were "very satisfied" with their experience, while more than 60 percent were "very satisfied" with the Accuracy of the Information and the Adequacy of Answers by Staff to Questions. (See Exhibit 1.) Fifty percent or more were "very satisfied" with nine of the 11 attributes surveyed. Ease in Finding What You Need and Degree of Geographic Detail Offered rated lowest in "very satisfied" responses with 42 and 45 percent respectively.

When "very satisfied" and "somewhat satisfied" responses were tallied together, 82 percent or more indicated satisfaction with all eleven attributes. Understandability of the Information, Completeness of the Information, and Accuracy of Information were rated highest, but were separated by only eight percentage points from the lowest rated Degree of Geographic Detail Offered and Relevancy to Solving Your Problem, each at 82 percent satisfaction.

One percent indicated they were "very dissatisfied" with Timeliness of the Information and Degree of Geographic Detail Offered. Six percent were either "somewhat dissatisfied" or "very dissatisfied" with Degree of Geographic Detail. These two attributes received the most dissatisfaction ratings, from seven out of 108 respondents.

Satisfaction with products

The same satisfaction scale was applied to specific R&A products, with the highest degree of satisfaction going to the monthly *Alaska Economic Trends* followed by the annual *Alaska Population Overview*. (See Exhibit 2.) Seventy-five percent were "very satisfied" with *Alaska Economic Trends* and 61 percent with *Alaska Population Overview*. Both are available online and are distributed in hard copy.

Ninety-five percent of respondents indicated satisfaction with *Alaska Economic Trends* when "very satisfied" and "somewhat satisfied" responses are combined. Nine of the remaining products surveyed scored combined satisfaction of 80 percent or better.

When "very dissatisfied" and "somewhat dissatisfied" responses are added together, Unemployment Rate data received the highest combined dissatisfaction rating at six percent (six of 86 respondents). Unemployment Insurance Program information followed with four percent (two of 51 respondents).

Familiarity with products probably has an effect on ratings. *Alaska Economic Trends*, one of R&A's best known products, received only a five percent "neutral" rating, while less familiar products like Training Provider or Performance information and the Unemployment Insurance Actuarial Study, the lowest combined satisfaction rated products at 48 and 49 percent respectively, received the highest "neutral" ratings at 50 percent or more each.

Customers gave feedback

The survey asked respondents to offer comments and suggest ways R&A can better meet their needs. Two were most often mentioned: users wanted more timely data, and they wanted it at more detailed levels of geography.

<u>Timely data</u> – R&A recognizes that data users want up-to-date information and they want it as soon as possible. Supplying data in a timely fashion is easier for some types of information than others. For example, R&A publishes employment data from the Current Employment Statistics Program monthly. However, data from Census of Fatal Occupational Injuries is published only annually, and the U.S. Census Bureau's decennial census is conducted and information made available only once a decade.

Steps are being taken to provide more timely release of data. Occupational Employment Statistics wage information is now collected semi-annually rather than annually, permitting more frequent updating of wage rate data. Quarterly Census of Employment Wage data is now posted on WORKFORCE INFO three months earlier than it was in the past. Publishing on the Internet bypasses time lags inherent to hard copy publication.

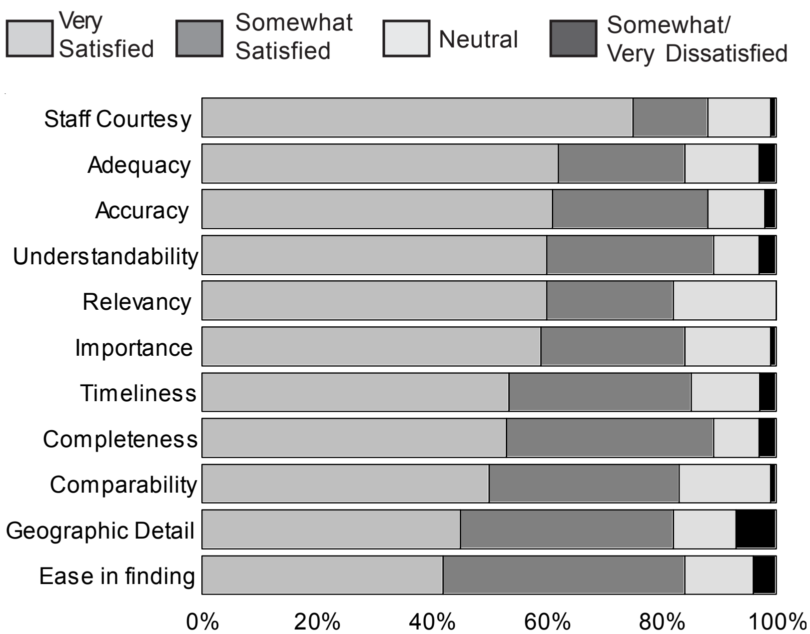
Satisfaction with Specific R&A Products 2

	Percent Very Satisfied	Percent Somewhat Satisfied	Percent Comb. Very + Somewhat Satisfied[2]	Percent Neutral	Percent Somewhat Dissatisfied	Percent Very Dissatisfied	Percent Comb. Very + Somewhat Dissatisfied[2]
Alaska Economic Trends	75	20	95	5	0	0	0
Alaska Population Overview	61	27	88	12	0	0	0
Cost of Living	56	28	84	14	1	0	1
Overall satisfaction with R&A's Workforce Info website	55	31	86	14	0	0	0
Population	54	32	86	12	1	0	1
Wage Rate	54	31	85	12	1	1	2
Consumer Price Index (CPI)	54	26	80	20	0	0	0
Industry Employment	51	31	82	18	0	0	0
Unemployment Rate	49	27	76	19	5	1	6
Census	48	32	80	18	2	0	2
Occupational information	47	36	83	14	2	0	2
Resident Hire	38	26	64	32	2	2	4
Industry Forecast (two year)	37	28	65	35	0	0	0
Press Releases (such as Monthly Unemployment)	35	31	66	32	2	0	2
New Hire	34	38	72	26	2	0	2
Industry Forecast (ten year)	32	32	64	37	0	0	0
Injury, Illness, and Fatalities	27	44	71	29	0	0	0
Unemployment Insurance Actuarial Study	27	22	49	51	0	0	0
Training Provider or Performance	26	22	48	50	2	0	2
Unemployment Insurance Program	25	33	58	37	4	0	4

[1]Subtotals may not sum due to rounding.
[2]Column is calculated, not surveyed.

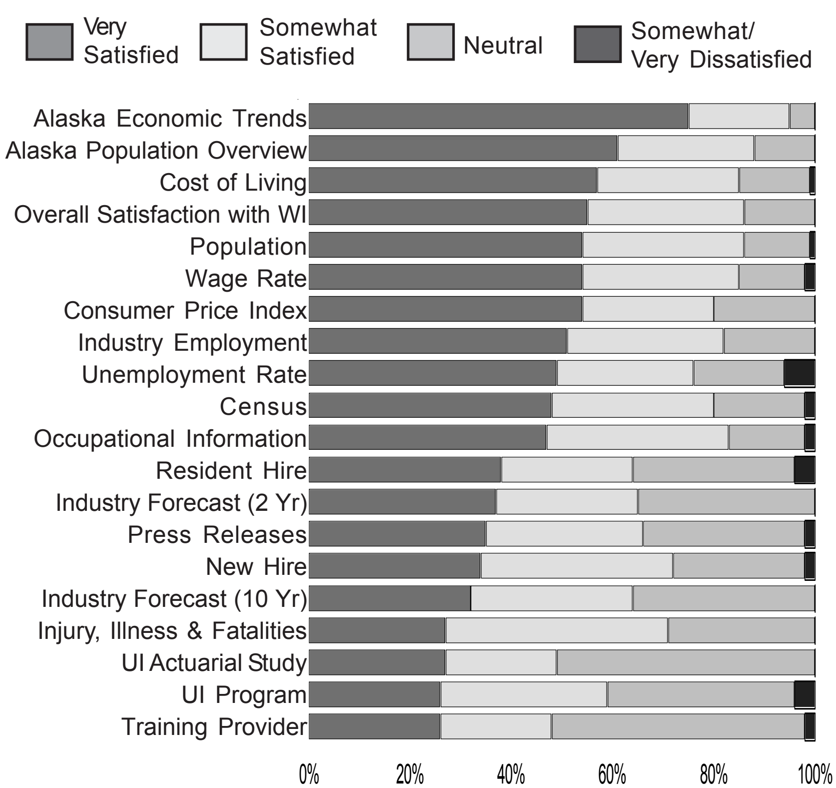
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

3 Overall Satisfaction



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

4 Satisfaction with R&A Products



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

More Geographic Detail – Users want data at geographic levels that R&A cannot always provide. Resource limitations, confidentiality issues, and the size of the state and distribution of the population offer challenges to providing detailed geographic information in some cases. However, some products now provide more detail than in the past. For example, this year current occupational employment estimates will be released at the regional level.

Maps are useful tools for adding geographic detail and interpreting data, and R&A will be providing more of them. New census tract maps are now available on WORKFORCE INFO, and place (community) maps are on the way.

Summary

Results of a recent customer satisfaction survey indicate that most respondents were satisfied with the R&A products and services they used. More than 80 percent of users are satisfied with R&A information in general, and specific R&A products received satisfaction ratings from 50 percent to 95 percent. Respondents expressed the highest degree of general satisfaction for R&A staff courtesy, and lowest "very satisfied" rating for ease in finding data. Alaska Economic Trends received the highest "very satisfied" rating among specific products and Training Provider information the lowest. The two respondent suggestions most often mentioned were desires for more timely data and greater geographic detail. R&A recognizes there is room for improvement and is committed to working toward that goal.

Methodology

Six hundred targeted respondents were contacted either by mail or phone, and 263 completed the survey either by mail or online. Respondents include 85 from a sample of R&A subscribers, 104 from the Quarterly Census of Employment and Wage file, including the state's 100 largest employers and a random sample of the remaining companies, and 72 unsolicited respondents who visited WORKFORCE INFO and completed the survey from that site. About half of the total employer sample had fewer than 10 employees.

More than 40 percent of those who completed the survey designated their "place of business or place of work" as private business, 29 percent as government, and six percent as education. The remaining 25 percent identified other workplaces or left the question unanswered.

Twenty-seven percent of respondents identified themselves as owner/employers. Twenty-six percent said they were employee/individuals, 15 percent researcher/planners, and the remaining 32 percent did something else or did not answer the question. "Does not apply to me" responses were excluded from tallies.

Workforce Info

Besides collecting information from users, R&A measures customer use of its data by tracking visits to its website. During second quarter 2004, WORKFORCE INFO recorded more than 112,000 (37,500 monthly) visits by 65,000 unique visitors. (Individual visitors are counted each time they come to the website, and are counted only once per visit no matter how many pages they look at.)

Among R&A documents distributed through WORKFORCE INFO, some of the most accessed include wage, census, and unemployment statistics, and licensed occupation information.

Let us know what you think

R&A is interested in continuing to receive feedback. It plans to offer ongoing customer satisfaction surveys on WORKFORCE INFO. Visit WORKFORCE INFO and complete the survey at http://almis.labor.state.ak.us/

Some actual comments and suggestions

"I have found that a mini search engine – offering a key word or topic search is very helpful."

An internal search engine is scheduled to be implemented in WORKFORCE INFO within the year. The current one searches only articles.

Regarding WORKFORCE INFO, "R&A needs to do a better job of product placement."

All products that are produced by R&A are available on WORKFORCE INFO. Ease of finding data was an issue for some respondents, and R&A's challenge is to make many and varied data sets more easily accessible. R&A staff will keep working on this.

"I didn't realize there was so much info on the website."

This was a common comment, especially from respondents who weren't familiar with WORKFORCE INFO. R&A plans to incorporate an e-mail alert system designed to let interested users know when new data sets are available. This will require users to let us know what they need. This is exactly the kind of dialogue R&A hopes to encourage with its customers.

"No idea what you do."

R&A recognizes a need to raise public awareness of the products and services that it offers. R&A and other DOLWD staff look for opportunities to introduce data and products in educational and informational presentations, workshops, and online and in hard copy publications. R&A welcomes inquiries at 1-907-465-4500 and encourages visits to its website at http://almis.labor.state.ak.us/

August Numbers Show Over-the-Year Job Growth

But some regions lost jobs

Alaska Employment Scene

by
Dan Robinson
Labor Economist

August estimates show that Alaska has added 4,100 jobs over the last 12 months, a growth rate of 1.3 percent. The state's three most connected economic regions, Anchorage/Mat-Su, Gulf Coast, and the Interior, are responsible for all of the growth, while the more isolated Southeast, Southwest, and Northern regions have lost jobs over the year. (See Exhibit 1.)

In Southeast, seafood processing and logging jobs are down over the year, and employment in both state and local government has declined. (See Exhibit 4.) Overall, the region has seen a net loss of 200 jobs since August 2003.

In addition to the well-publicized difficulties of the seafood and logging industries, Southeast has struggled throughout 2004 to compensate for a loss of Juneau state government jobs. In August, state government employment in Juneau was about 4,650, compared to August 2003 when the number was nearly 4,800. The losses appear to be due more to attrition than layoffs. Faced with budget pressures, managers may be more reluctant to fill positions vacated by retirement or voluntary job changing. On the positive side of the ledger, the construction industry provided 200 more jobs than it did a year ago and health care and social services added 100.

Government and seafood processing were also responsible for over-the-year job losses recorded in the Southwest region. (See Exhibit 6.) Small employment gains in the oil and gas industry offset a decline in local government jobs in the Northern region, but overall the region lost 100 jobs over the year.

In Anchorage/Mat-Su, health care and construction were the biggest contributors to over the year growth of 1.8 percent, although nearly every major industry group also added jobs. (See Exhibit 5.) The other services category, which shows a loss of 700 jobs, was affected by a change in how several employers are classified. The change temporarily exaggerates job losses in other services and gains in health care. Repeating a pattern seen throughout Alaska, state and local government jobs fell slightly over the year.

The Interior region's 2.6 percent over-the-year growth was the strongest in the state, with nearly every industry making a contribution to the 1,200 jobs. (See Exhibit 4.) Retail trade has been particularly strong in Fairbanks, where several new stores have opened. Record-breaking fires throughout the Interior in 2004 also created a significant number of jobs in July and August.

Employment gains in the Gulf Coast were widespread, although the numbers added up to a more modest 0.8 percent growth rate. (See Exhibit 4.) Losses of 100 jobs in both local government and other services were offset by gains in oil and gas, retail trade, and health care, among other industries.

Health care the biggest contributor statewide

Statewide employment estimates show little change to Alaska's long-running pattern of modest growth. Health care, construction, and retail trade were responsible for most of the year's growth. (See Exhibit 2.) With gains through the first eight months of the year, it appears nearly certain that Alaska will add a seventeenth consecutive year of employment growth in 2004.

August's numbers show a noticeable increase in oil and gas jobs after several years of small but steady declines. The industry averaged 9,500 jobs in 2001 then fell to 8,900 in 2002 and 8,100 in 2003. August's estimate of 8,400 jobs is the highest so far in 2004 and an increase of 500 from April's low point of 7,900.

Seafood processing jobs in August didn't quite measure up to August 2003's number, but 2004 has been a good year for the industry so far. Last month's seasonal peak of 16,400 jobs was 600 higher than the July 2003 level and 2,100 higher than July 2002.

Retail trade jobs grew by 900 over the year and are up 1,800 from August 2002 and 2,400 from August 2001. Retail's 36,700 jobs made up 11 percent of the state's total August employment.

Job gains in health care & social assistance accounted for more than half of the state's 4,100 increase. Health care's growth over the year is inflated by about 500 jobs, however, as a result of a classification change that moved several employers formerly classified in other services into health care. This change also explains most of the job losses in other services.

Early indicators suggest that 2004 was a good year for the leisure and hospitality sector. August employment of 36,100 was 600 higher than last year, which was welcome news after the sector provided only minimal growth in 2003. Food services and drinking places provide the most jobs in this sector, but the accommodations industry has grown at a faster rate in 2004.

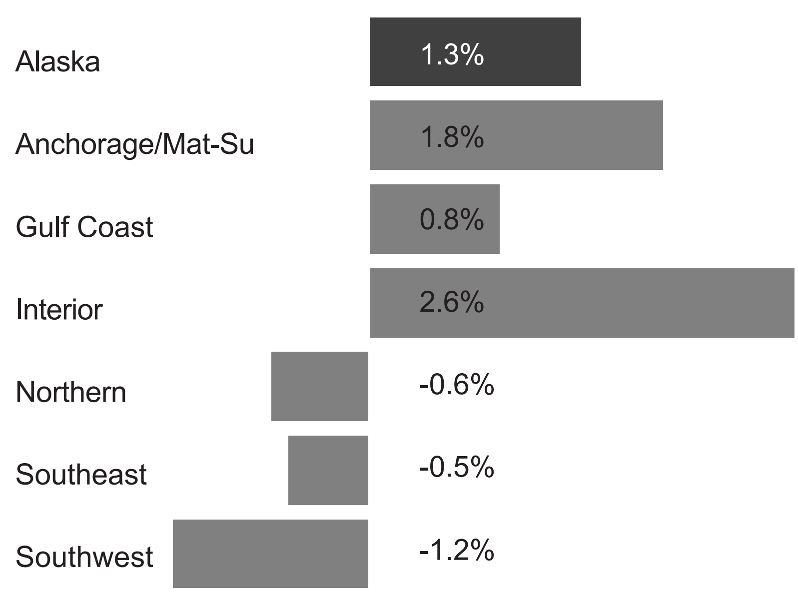
Firefighting efforts helped push state government jobs temporarily higher, while local government jobs fell by 700 jobs. Gains in federal government are also partly attributable to firefighting.

August unemployment rate changes little

The state's unemployment rate rose one-tenth of a percentage point in August to 6.6 percent. (See Exhibit 5.) Both Anchorage and Juneau saw small increases: Anchorage from 4.8 percent to 5.0

(continued on page 26)

Percent Job Growth 1
August 2003 to August 2004



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

2 Nonfarm Wage and Salary Employment
By place of work

Alaska	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	Changes from: 8/03
Total Nonfarm Wage & Salary[1]	**323,500**	**324,000**	**319,400**	**-500**	**4,100**
Goods Producing	50,300	51,700	49,100	-1,400	1,200
Services Providing	273,300	272,300	270,400	1,000	2,900
Natural Resources & Mining	**10,500**	**10,300**	**10,400**	**200**	**100**
Logging	500	400	700	100	-200
Mining	10,000	9,900	9,700	100	300
Oil & Gas Extraction	8,400	8,200	8,100	200	300
Construction	**21,900**	**21,100**	**20,700**	**800**	**1,200**
Manufacturing	**17,900**	**20,300**	**17,900**	**-2,400**	**0**
Wood Products Manufacturing	300	300	400	0	-100
Seafood Processing	13,800	16,400	13,900	-2,600	-100
Trade, Transportation, Utilities	**66,600**	**66,800**	**65,800**	**-200**	**800**
Wholesle Trade	6,600	6,600	6,500	0	100
Retail Trade	36,700	36,900	35,800	-200	900
Food & Beverage Stores	6,300	6,400	6,300	-100	0
General Merchandise Stores	9,100	9,300	8,900	-200	200
Trans/Warehousing/Utilities	23,400	23,200	23,500	200	-100
Air Transportation	7,000	6,800	7,000	200	0
Truck Transportation	3,100	3,200	3,000	-100	100
Information	**7,000**	**7,100**	**7,000**	**-100**	**0**
Telecommunications	4,100	4,100	4,100	0	0
Financial Activities	**15,200**	**15,100**	**15,100**	**100**	**100**
Professional & Business Svcs	**24,800**	**24,400**	**24,700**	**400**	**100**
Educational & Health Services	**35,300**	**35,200**	**33,200**	**100**	**2,100**
Health Care/Social Assistance	33,300	33,200	31,000	100	2,300
Ambulatory Health Care	13,700	13,700	12,800	0	900
Hospitals	8,700	8,600	8,500	100	200
Leisure & Hospitality	**36,100**	**36,000**	**35,500**	**100**	**600**
Accommodation	10,800	10,800	10,600	0	200
Food Svcs & Drinking Places	20,800	20,600	20,500	200	300
Other Services	**10,700**	**10,800**	**11,500**	**-100**	**-800**
Government[2]	**77,500**	**77,000**	**77,800**	**500**	**-300**
Federal Government[3]	18,100	18,200	17,800	-100	300
State Government	23,100	23,600	23,000	-500	100
State Education	5,300	5,400	5,300	-100	0
Local Government	36,300	35,300	37,000	1,000	-700
Local Education	17,700	16,400	18,100	1,300	-400
Tribal Government	4,300	4,300	4,300	0	0

Municipality of Anchorage	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	Changes from: 8/03
Total Nonfarm Wage & Salary[1]	**147,300**	**147,300**	**145,100**	**0**	**2,200**
Goods Producing	15,100	14,800	14,500	300	600
Services Providing	132,200	132,500	130,600	-300	1,600
Natural Resources & Mining	**2,200**	**2,200**	**2,200**	**0**	**0**
Mining	2,100	2,100	2,100	0	0
Oil & Gas Extraction	2,000	2,000	1,900	0	100
Construction	**11,000**	**10,600**	**10,400**	**400**	**600**
Manufacturing	**1,900**	**2,000**	**1,900**	**-100**	**0**
Trade, Transportation, Utilities	**34,200**	**34,200**	**33,900**	**0**	**300**
Wholesale Trade	4,700	4,800	4,700	-100	0
Retail Trade	18,000	18,000	17,800	0	200
Food & Beverage Stores	2,500	2,600	2,500	-100	0
General Merchandise Stores	4,300	4,300	4,300	0	0
Trans/Warehousing/Utilities	11,500	11,400	11,500	100	0
Air Transportation	3,700	3,800	3,600	-100	100
Information	**4,500**	**4,600**	**4,600**	**-100**	**-100**
Telecommunications	2,600	2,700	2,700	-100	-100
Financial Activities	**9,200**	**9,100**	**9,000**	**100**	**200**
Professional & Business Svcs	**16,400**	**16,500**	**16,600**	**-100**	**-200**
Educational & Health Services	**19,000**	**18,900**	**17,400**	**100**	**1,600**
Health Care/Social Assistance	17,800	17,700	16,300	100	1,500
Ambulatory Health Care	6,900	7,000	6,200	-100	700
Hospitals	5,400	5,400	5,200	0	200
Leisure & Hospitality	**15,500**	**15,600**	**15,300**	**-100**	**200**
Accommodation	3,300	3,300	3,200	0	100
Food Svcs & Drinking Places	10,400	10,400	10,400	0	0
Other Services	**5,200**	**5,300**	**5,900**	**-100**	**-700**
Government[2]	**28,100**	**28,300**	**28,000**	**-200**	**100**
Federal Government[3]	10,000	10,000	9,900	0	100
State Government	9,200	9,400	9,200	-200	0
State Education	1,600	1,700	1,800	-100	-200
Local Government	8,900	8,900	8,900	0	0
Local Education	5,500	5,400	5,400	100	100
Tribal Government	300	300	300	0	0

__Notes to Exhibits 2, 3, 4, & 6__—[1]Nonfarm excludes self-employed workers, fishermen, domestics, and unpaid family workers as well as agricultural workers.
[2]Includes employees of public school systems and the University of Alaska.
[3]Excludes uniformed military.
Exhibits 2 & 3—Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.
Exhibits 4 & 6—Prepared in part with funding from the Employment Security Division.

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

3 Hours and Earnings
For selected industries

	Average Weekly Earnings preliminary 8/04	revised 7/04	revised 8/03	Average Weekly Hours preliminary 8/04	revised 7/04	revised 8/03	Average Hourly Earnings preliminary 8/04	revised 7/04	revised 8/03
Mining	$1,515.60	$1,505.45	$1,265.58	45.0	50.4	42.2	$33.68	$29.87	$29.99
Construction	1,179.98	1,257.32	1,368.91	40.3	43.0	45.6	29.28	29.24	30.02
Manufacturing	575.02	515.25	571.52	45.6	45.8	49.1	12.61	11.25	11.64
Seafood Processing	622.44	483.58	683.30	50.4	49.7	60.9	12.35	9.73	11.22
Trade, Transportation, Utilities	554.05	549.14	573.52	35.2	34.8	35.6	15.74	15.78	16.11
Retail Trade	445.21	432.82	470.05	33.2	32.3	35.0	13.41	13.40	13.43
Financial Activities	727.82	685.67	771.55	36.3	34.7	37.6	20.05	19.76	20.52

Average hours and earnings estimates are based on data for full-time and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing). Averages are for gross earnings and hours paid, including overtime pay and hours.
Benchmark: March 2003
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

4 Nonfarm Wage and Salary Employment
By place of work

Fairbanks North Star Borough

	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	Changes from: 8/03
Total Nonfarm Wage & Salary[1]	38,500	38,350	37,550	150	950
Goods Producing	5,000	4,850	4,900	150	100
Services Providing	33,500	33,450	32,600	50	900
Natural Resources & Mining	1,050	1,050	1,000	0	50
Mining	1,050	1,050	1,000	0	50
Construction	3,300	3,200	3,350	100	-50
Manufacturing	600	650	600	-50	0
Trade, Transportation, Utilities	7,700	7,650	7,400	50	300
Wholesale Trade	600	650	600	-50	0
Retail Trade	4,450	4,400	4,050	50	400
Trans/Warehousing/Utilities	2,650	2,650	2,750	0	-100
Information	550	600	600	-50	-50
Financial Activities	1,550	1,550	1,500	0	50
Professional & Business Svcs	2,400	2,400	2,300	0	100
Educational & Health Services	4,150	4,050	4,050	100	100
Health Care/Social Assistance	4,000	3,950	3,850	50	150
Leisure & Hospitality	4,700	4,750	4,700	-50	0
Accommodation	1,500	1,550	1,500	-50	0
Food Svcs & Drinking Places	2,650	2,700	2,650	-50	0
Other Services	1,400	1,400	1,400	0	0
Government[2]	11,000	11,050	10,700	-50	300
Federal Government[3]	3,500	3,500	3,450	0	50
State Government	4,900	5,050	4,650	-150	250
Local Government	2,600	2,500	2,600	100	0
Tribal Government	0	0	0	0	0

Southeast Region

	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	Changes from: 8/03
Total Nonfarm Wage & Salary[1]	41,700	40,900	41,900	800	-200
Goods Producing	6,950	6,650	7,050	300	-100
Services Providing	34,750	34,250	34,850	500	-100
Natural Resources & Mining	650	650	800	0	-150
Logging	400	400	500	0	-100
Mining	300	300	300	0	0
Construction	2,350	2,300	2,150	50	200
Manufacturing	3,900	3,700	4,100	200	-200
Wood Products Mfg.	150	150	150	0	0
Seafood Processing	3,500	3,250	3,650	250	-150
Trade, Transportation, Utilities	8,800	8,700	8,750	100	50
Retail Trade	5,100	5,100	5,100	0	0
Trans/Warehousing/Utilities	3,200	3,200	3,200	0	0
Information	500	500	500	0	0
Financial Activities	1,350	1,350	1,350	0	0
Professional & Business Svcs	1,600	1,550	1,600	50	0
Educational & Health Services	3,500	3,500	3,400	0	100
Health Care/Social Assistance	3,350	3,350	3,250	0	100
Leisure & Hospitality	4,850	4,750	4,800	100	50
Accommodation	1,900	1,850	1,900	50	0
Food Svcs & Drinking Places	2,050	2,050	2,000	0	50
Other Services	1,100	1,050	1,100	50	0
Government[2]	13,150	12,850	13,300	300	-150
Federal Government[3]	2,200	2,200	2,150	0	50
State Government	5,350	5,300	5,500	50	-150
Local Government	5,600	5,350	5,700	250	-100
Tribal Government	850	800	900	50	-50

Interior Region

	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	Changes from: 8/03
Total Nonfarm Wage & Salary[1]	46,700	46,050	45,500	650	1,200
Goods Producing	5,750	5,450	5,600	300	150
Services Providing	40,950	40,600	39,900	350	1,050
Natural Resources & Mining	1,250	1,200	1,100	50	150
Mining	1,200	1,200	1,100	0	100
Construction	3,800	3,500	3,800	300	0
Manufacturing	750	750	700	0	50
Trade, Transportation, Utilities	9,250	9,250	8,900	0	350
Information	600	600	650	0	-50
Financial Activities	1,650	1,650	1,600	0	50
Professional & Business Svcs	2,850	2,850	2,750	0	100
Educational & Health Services	4,350	4,250	4,200	100	150
Leisure & Hospitality	7,000	6,900	6,800	100	200
Accommodation	2,350	2,500	2,250	-150	100
Food Svcs & Drinking Places	3,900	3,800	3,850	100	50
Other Services	1,600	1,600	1,600	0	0
Government[2]	13,650	13,500	13,350	150	300
Federal Government[3]	4,100	4,150	4,100	-50	0
State Government	5,200	5,350	4,900	-150	300
Local Government	4,350	4,000	4,350	350	0
Tribal Government	450	500	450	-50	0

Anchorage/Mat-Su Region

	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	Changes from: 8/03
Total Nonfarm Wage & Salary[1]	164,550	164,250	161,700	300	2,850
Goods Producing	17,550	17,200	16,650	350	900
Services Providing	146,950	147,050	145,050	-100	1,900
Natural Resources & Mining	2,350	2,350	2,200	0	150
Construction	13,050	12,600	12,250	450	800
Manufacturing	2,200	2,300	2,200	-100	0
Trade, Transportation, Utilities	37,950	37,950	37,450	0	500
Information	5,100	5,150	5,100	-50	0
Financial Activities	9,950	9,900	9,700	50	250
Professional & Business Svcs	17,650	17,400	17,700	250	-50
Educational & Health Services	21,700	21,650	19,950	50	1,750
Leisure & Hospitality	17,800	17,800	17,600	0	200
Other Services	5,750	5,850	6,450	-100	-700
Government[2]	31,100	31,300	31,100	-200	0
Federal Government[3]	10,200	10,200	10,050	0	150
State Government	10,100	10,350	10,150	-250	-50
Local Government	10,750	10,700	10,900	50	-150
Tribal Government	400	400	300	0	100

Gulf Coast Region

	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	Changes from: 8/03
Total Nonfarm Wage & Salary[1]	33,000	33,300	32,750	-300	250
Goods Producing	8,050	8,550	8,000	-500	50
Services Providing	24,950	24,750	24,700	200	250
Natural Resources & Mining	1,200	1,150	1,250	50	-50
Oil & Gas Extraction	1,150	1,000	1,050	150	100
Construction	1,900	1,900	1,850	0	50
Manufacturing	4,950	5,550	4,900	-600	50
Seafood Processing	4,250	4,850	4,200	-600	50
Trade, Transportation, Utilities	6,450	6,350	6,250	100	200
Retail Trade	3,750	3,700	3,550	50	200
Trans/Warehousing/Utilities	2,250	2,200	2,250	50	0
Information	450	450	450	0	0
Financial Activities	850	850	850	0	0
Professional & Business Svcs	1,550	1,550	1,450	0	100
Educational & Health Services	2,350	2,250	2,250	100	100
Health Care/Social Assistance	2,300	2,200	2,200	100	100
Leisure & Hospitality	4,650	4,750	4,600	-100	50
Accommodation	1,750	1,750	1,700	0	50
Food Svcs & Drinking Places	2,400	2,450	2,400	-50	0
Other Services	1,250	1,300	1,350	-50	-100
Government[2]	7,400	7,250	7,450	150	-50
Federal Government[3]	1,000	1,000	950	0	50
State Government	1,600	1,650	1,600	-50	0
Local Government	4,800	4,600	4,900	200	-100
Tribal Government	350	350	350	0	0

5 Unemployment Rates
By region and census area

Not Seasonally Adjusted	preliminary 8/04	revised 7/04	8/03*
United States	**5.4**	**5.7**	**6.0**
Alaska Statewide	**6.6**	**6.5**	**7.0**
Anchorage/Mat-Su Region	**5.5**	**5.3**	**5.9**
Municipality of Anchorage	5.0	4.8	5.5
Mat-Su Borough	7.3	7.3	7.5
Gulf Coast Region	**8.3**	**7.7**	**8.5**
Kenai Peninsula Borough	8.2	8.5	9.4
Kodiak Island Borough	9.7	5.7	6.8
Valdez-Cordova	6.7	6.8	7.0
Interior Region	**5.6**	**5.6**	**6.2**
Denali Borough	2.1	1.7	3.7
Fairbanks North Star Borough	5.1	5.3	5.7
Southeast Fairbanks	9.6	8.7	9.1
Yukon-Koyukuk	12.7	11.9	14.5
Northern Region	**17.1**	**17.4**	**17.8**
Nome	16.5	17.6	16.8
North Slope Borough	15.6	15.5	16.6
Northwest Arctic Borough	19.9	20.0	21.1
Southeast Region	**5.8**	**5.9**	**6.2**
Haines Borough	5.8	7.1	7.4
Juneau Borough	5.2	5.0	5.4
Ketchikan Gateway Borough	5.8	5.3	6.1
Prince of Wales-Outer Ketchikan	10.9	12.0	12.0
Sitka Borough	3.9	4.7	4.9
Skagway-Hoonah-Angoon	6.5	7.3	7.3
Wrangell-Petersburg	7.0	7.5	6.9
Yakutat Borough	10.7	6.3	9.6
Southwest Region	**14.2**	**13.0**	**13.2**
Aleutians East Borough	4.1	4.2	3.7
Aleutians West	7.5	6.9	6.2
Bethel	16.5	15.3	15.0
Bristol Bay Borough	8.2	6.5	9.2
Dillingham	11.0	10.2	10.0
Lake & Peninsula Borough	14.9	13.4	10.9
Wade Hampton	26.1	23.4	26.2
Seasonally Adjusted			
United States	5.4	5.5	6.1
Alaska Statewide	7.6	7.2	8.1

2003 Benchmark

**Comparisons with previous year's numbers are of very limited use because of the magnitude of year-end revisions. The current and official definition of unemployment excludes anyone who has not made an active attempt to find work in the four-week period up to and including the week that includes the 12th of the reference month. Due to the scarcity of employment opportunities in rural Alaska, many individuals do not meet the official definition of unemployed because they have not conducted an active job search.*

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

(continued from page 23)

percent and Juneau from 5.0 percent to 5.2 percent. Fairbanks' unemployment rate fell two-tenths of a percentage point to 5.1 percent.

The Denali Borough, which has enjoyed a healthy 2004 summer visitor season, had the state's lowest unemployment rate in August at 2.1 percent. The Wade Hampton Census Area had the highest at 26.1 percent. Unemployment rates for the state's boroughs and census areas reveal a general pattern of lower than average rates for the state's more populated areas and higher rates for rural Alaska.

Nationally, the seasonally adjusted unemployment rate fell one-tenth of a percentage point in August to 5.4 percent. The number is seven-tenths of a percentage point lower than a year ago.

6 Nonfarm Wage/Salary Employment
By place of work

Northern Region	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	8/03
Total Nonfarm Wage & Salary[1]	16,050	15,800	16,150	250	-100
Goods Producing	5,500	5,400	5,400	100	100
Services Providing	10,550	10,400	10,750	150	-200
Oil & Gas Extraction	4,800	4,600	4,650	200	150
Government[2]	4,950	4,850	5,050	100	-100
Federal Government[3]	200	200	150	0	50
State Government	350	350	350	0	0
Local Government	4,400	4,300	4,500	100	-100
Tribal Government	600	550	650	50	-50

Southwest Region	preliminary 8/04	revised 7/04	8/03	Changes from: 7/04	8/03
Total Nonfarm Wage & Salary[1]	21,450	23,400	21,700	-1,950	-250
Goods Producing	6,450	8,700	6,550	-2,250	-100
Services Providing	15,000	14,700	15,150	300	-150
Seafood Processing	5,850	8,150	6,000	-2,300	-150
Government[2]	7,300	7,200	7,400	100	-100
Federal Government[3]	400	400	400	0	0
State Government	550	600	550	-50	0
Local Government	6,350	6,200	6,450	150	-100
Tribal Government	1,650	1,700	1,700	-50	-50

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

Employer Resources

The Division of Vocational Rehabilitation administers the Americans With Disabilities Act signed into law on July 26, 1990. The Americans with Disabilities Act is wide-ranging legislation intended to make American society more accessible to people with disabilities. Businesses must provide reasonable accommodations to protect the rights of individuals with disabilities in all aspects of employment. For more information, go to http://www.labor.state.ak.us/ada/home.htm.