

ALASKA ECONOMIC **TRENDS**

SEPTEMBER 2012

Foreclosures in Alaska

WHAT'S INSIDE

A look at large and small employers



ALASKA DEPARTMENT OF LABOR
& WORKFORCE DEVELOPMENT

Sean Parnell, Governor
Dianne Blumer, Commissioner

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September 2012
Volume 32
Number 9
ISSN 0160-3345

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Alaska Economic Trends is a monthly publication dealing with a wide variety of economic issues in the state. Its purpose is to inform the public about those issues.

Alaska Economic Trends is funded by the Employment Security Division of the Alaska Department of Labor and Workforce Development. It's published by the Research and Analysis Section.

Alaska Economic Trends is printed and distributed by Assets, Inc., a vocational training and employment program, at a cost of \$1.11 per copy.

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Olga Strait, between Kruzof and Baranof Islands, taken from Harbor Mountain in Sitka. Courtesy of sitkaphotos.com

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Alaska's 'main street' is more than 17,000 strong, and growing



**By Dianne Blumer,
Commissioner**

Alaska is open for business and preparing for economic growth. This month's *Trends* looks at the 17,342 firms that make up Alaska's "main streets" — employers both large and small, from single owner-proprietors to companies with more than 500 employees.

Sixty percent of Alaska firms employ no more than four people, while about half of the 375,000 Alaskans working in the private sector are employed by the largest 2 percent of firms — those with more than 100 employees.

Governor Parnell recently applauded Icelandair, which will begin seasonal passenger flights linking Anchorage with Reykjavik next year. Those passengers will see five new businesses, on both sides of security, at the Ted Stevens Anchorage International Airport. Those five will join the roughly 2,400 firms Alaska has added since 1995.

Doyon, Limited also recently announced a \$37 million plan for oil and gas exploration, including drilling a new exploratory well in the Nenana Basin. Doyon credits recent legislation that expands exploration incentives and the change in the oil production regime in frontier basins. Success means helping address Interior Alaska's energy needs — and jobs.

Connecting with Businesses

Small or big, the Alaska Department of Labor and Workforce Development supports businesses through a variety of programs, many at little or no cost to employers.

Fidelity bonding is a free incentive for employers to hire at-risk job applicants. Bonding allows employers to hire from a larger pool of qualified applicants without financial risk. Employers can also use bonding to promote a current employee

to a more responsible position. (See the back page for more on fidelity bonding.)

Veterans can access transition services through the Alaska Job Center Network, and the Alaska Veterans Fair will be Friday, Nov. 9 at the University Center in Anchorage. Last year almost 140 employers participated.

Employers from across the state are using Alaska Job Centers and Business Connections to help with recruiting, either through a site-based event or ALEXsys, Alaska's online job bank. Employers can also attend wage and hour seminars that include information about youth work permits and workplace safety.

The department's career guides worked with the Alaska Military Youth Academy and in mid-August, 65 of its 161 cadets not only graduated after successfully completing eight core competencies but also qualified for an Alaska Career Ready certificate. The nationally recognized credential documents their skill levels in the foundational workplace skills of Applied Math, Reading for Information, and Locating Information. That's 65 Alaska youth who can show employers or post-secondary education and training institutions that they're ready to work and learn.

As part of the Career Ready program, department staff use the WorkKeys skills assessment system to provide job profile services to help Alaska employers make better hiring decisions. By comparing job profile information with WorkKeys assessment scores from applicants, businesses can make reliable decisions about hiring, training, and program development.

The Alaska Department of Labor supports both employees and employers, helping Alaska companies make the most of our home-grown talent.

Foreclosures in Alaska

How the state compares to the nation



The housing bubble and subsequent foreclosure crisis in the United States continues to hamper regional housing markets and broad economic recovery, but Alaska was one of the healthiest states in terms of mortgage delinquencies throughout the national collapse, and the state's housing market remains relatively stable. Though Alaska's housing market has cooled since 2006, the state had the third-lowest delinquency rate in the U.S. in the first quarter of 2012.

Alaska's economy was largely insulated from the problems that led to the national recession, keeping up a brisk clip through the first half of the decade as residential construction boomed, particularly in the Matanuska-Susitna Borough. But Alaska's accelerated building pace didn't have the same speculative fervor as many regions in the Lower 48, and it didn't result in the same level of over-building.

The state's lending practices were also much

more conservative than the national average — a smaller percentage of mortgages in Alaska were subprime or adjustable rate, both indicators of increased default risk.

The national buildup

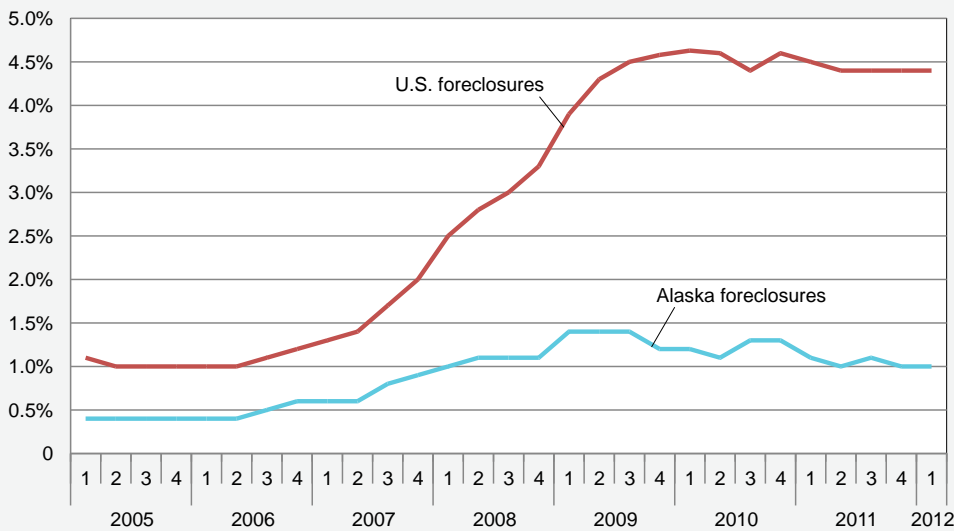
During the early 2000s, the housing bubble seemed like a path to prosperity for many Americans. After the dot-com bust in the late 1990s, housing seemed like a safer bet. Easy access to credit allowed subprime borrowers, perhaps with bad credit or without a verifiable repayment mechanism, to finance the American dream of home ownership — even if that was a dream they couldn't afford.

Lenders bundled, subdivided, and resold those risky mortgages to mega-players in the international finance market as high-yield financial instruments called mortgage-backed securities.

Existing homeowners watched their net wealth skyrocket as home prices appreciated at an unprecedented rate. Residential builders were selling homes before the land had even been cleared. Realtors were flipping houses and taking big cuts. It seemed like everyone was making money.

The booming housing market started to deteriorate when the inventory of new housing swamped demand. When overstretched borrowers began to default on their loans, the collapse began in earnest. Foreclosures surged and housing prices plummeted, all while global financial institutions realized they'd been betting on bad hands. Many homeowners, even those who could make

1 U.S. vs. Alaska Foreclosure Rates 2005 to 2012



Source: Mortgage Bankers Association, National Delinquency Survey

their monthly payments, found themselves underwater on their mortgages — owing more than their houses were now worth.

Regional housing markets across the country followed unique trajectories during the bubble and subsequent bust. Typically, high growth areas — especially within the Sunbelt — endured the worst of the bubble and market collapse. Some areas weren't affected until job losses prompted by the recession destabilized their regional economies and upset local housing markets.

Similarly, regional housing markets are recovering at different rates. Economic growth remains too tepid to encourage a quick recovery, but record low interest rates have encouraged a refinancing boom.

Housing affordability is also at a record high nationally, based on both low rates and home sales prices, but limited access to credit and general economic malaise make it difficult for many potential buyers to benefit.

Nationwide, home prices continue to be depressed, but are still higher than they were before the bubble in many regions. Although foreclosure starts have mostly stabilized, foreclosure inventories remain high in states whose foreclosure processes take longer to complete because they have to go through the courts. (Alaska, however, is not a judicial foreclosure state.) Overall, national foreclosure inventories remain about four times as high as in Alaska. (See Exhibit 1.)

The Alaska story

Alaska's housing market and foreclosure rates appear to be in good shape compared to the rest of the country. In the first quarter of 2012, only Wyoming and North Dakota had lower rates of "seriously delinquent" mortgages — those more than 90 days past due. Just 2.3 percent of Alaska home mortgages were

Lowest and Highest Delinquency States

U.S. mortgages, first quarter of 2012

2

Lowest delinquency states	Delinquent mortgages	Highest delinquency states	Delinquent mortgages
North Dakota	1.80%	Florida	17.92%
Wyoming	2.26%	Nevada	12.63%
Alaska	2.27%	New Jersey	12.39%
South Dakota	2.66%	Illinois	10.57%
Nebraska	3.00%	New York	9.26%
Montana	3.03%	Maryland	8.64%
Colorado	3.91%	Maine	8.60%
Virginia	4.03%	Ohio	8.22%
Minnesota	4.20%	Connecticut	7.93%
West Virginia	4.22%	Indiana	7.79%

Source: Mortgage Bankers Association National Delinquency Survey

seriously delinquent, in stark contrast to Florida at 17.9 percent, the highest rate in the U.S. (See Exhibit 2.)

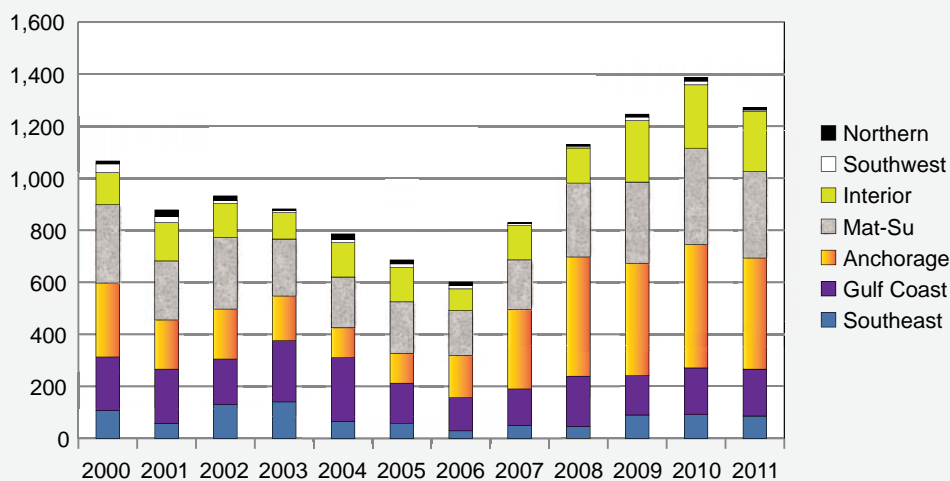
But while contrasting Alaska's relative stability to the Lower 48's worst performers can be revealing, it only paints part of the picture. Between 2006 and 2010, the number of foreclosures in Alaska more than doubled, from 601 to 1,386. (See Exhibit 3.)

The increase was largely driven by a dramatic jump in Anchorage foreclosures and a less-dramatic increase in Mat-Su and the Interior, which includes Fairbanks. The number of foreclosures in the Gulf Coast, Southeast, Southwest, and North-

Total Number of Foreclosures

Alaska, 2000 to 2011

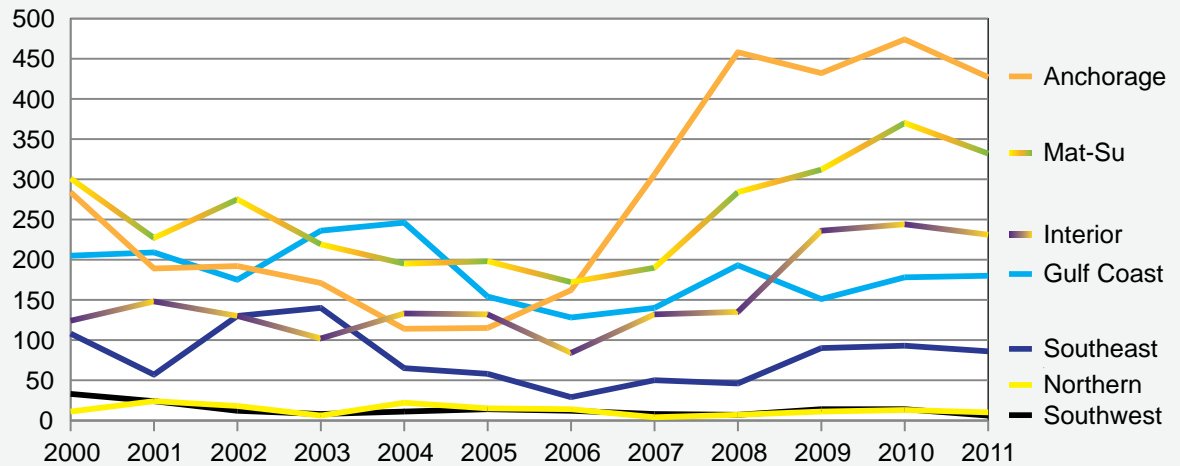
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Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

4 Anchorage Led the State in Foreclosures

Alaska regions, 2000 to 2011



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

ern regions remained mostly stable between 2000 and 2011. (See Exhibit 4.)

The increase in Anchorage, and to some extent in Mat-Su and Fairbanks, was due to many of the same factors that caused the foreclosure spike in the rest of the country. Although subprime and adjustable rate mortgages weren't as prevalent in Alaska as they were in the rest of the U.S., they do exist in the state and have higher delinquency rates than conventional mortgages. A weak Alaska job market in 2009 didn't help matters.

Alaskans' appetite for buying homes diminished during the recession, which officially ended in 2009, but had begun falling a few years earlier. After reaching a peak in 2006, total loan volume for single-family homes and condominiums dropped in 2007 and remained below that level through 2011. New housing construction fell during the same period.

Swings in home value indexes

Alaska's home sales prices, when adjusted for inflation, have fallen slightly statewide. According to the Federal Housing Finance Authority housing price index, Alaska's index value has been up and down since 2008. (See Exhibit 5.)

Alaska's index value has been relatively stable

compared to many other states, though. Nevada is an example of a state with an extreme swing between positive and negative home price changes. Nevada had a remarkable housing boom during the first half of the decade, but houses were built faster than they could be sold — especially when credit tightened.

Nevada's price index, which hit its peak in 2004, was increasing faster than 30 percent per year. The growth slowed until 2006, when prices started to drop and Nevada's housing market went from bad to worse quickly. The free fall accelerated until late 2008, when prices were 32 percent below the previous year's levels. Nevada's home price index value has not increased over-the-year since 2006, although it's currently dropping at a slower rate.

The state of Washington's trajectory was less dramatic than Nevada's. For one, the FHFA home price index never climbed as quickly as it did for its southwest neighbor. Compared to Nevada, prices accelerated later and less dramatically. The highest year-over-year change in the index was in 2006, nearly two years after Nevada's peaked. Washington's prices started falling in 2008, which was more in line with the national average.

In contrast, North Dakota's housing market was barely touched by the crisis. The shale oil fracking boom was largely responsible for the state's growth throughout the national recession. North

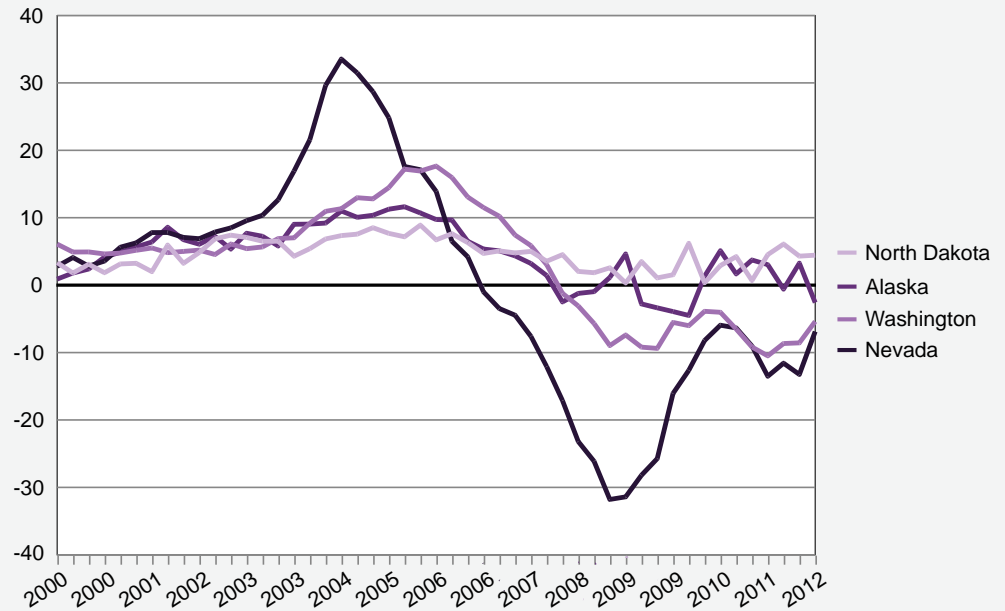
Dakota is a small state and its index value is more volatile than larger states, but its year-to-year change has not dropped below zero in the past 12 years. In many ways, North Dakota is reminiscent of Alaska during the early-1980s recession, when high oil prices helped Alaska boom.

Alaska's FHFA index value tracked closely to the national average in the first half of the decade, but while the national index value dropped in 2007 and continued to fall into the first quarter of 2012, Alaska's value has only fallen below the prior year's value in about half of the 18 quarters since 2008. The year-to-year change in Alaska's rate is volatile from quarter to quarter, but the change in the index seems to paint a reasonable picture of Alaska's flat home prices.

With steady home prices and falling foreclosure rates, Alaska's housing market isn't getting any worse, but Alaskans also aren't building or buying houses like we used to. This is likely a "new normal" for the state, especially with tighter credit conditions and a renewed sense of conservative borrowing.

Change in Housing Price Indexes Select states, 2000 to 2012

5



Source: Federal Housing Finance Agency, Home Price Index

Most Alaska Employers Are Small

... but the majority of private-sector jobs are in larger firms

Alaska had more than 17,000 private-sector firms in 2011, and the vast majority of these were small. Sixty percent employed four or fewer people, and 98 percent employed fewer than 100.

Even though small firms far outnumber large ones, most people work for larger employers. Nearly half of private-sector employees worked for large firms — those with more than 100 employees — in 2011.

Put another way, if you're counting firms, the small ones dominate the count, but if you're counting people, more work in large firms than small. (See Exhibits 1 and 2.)

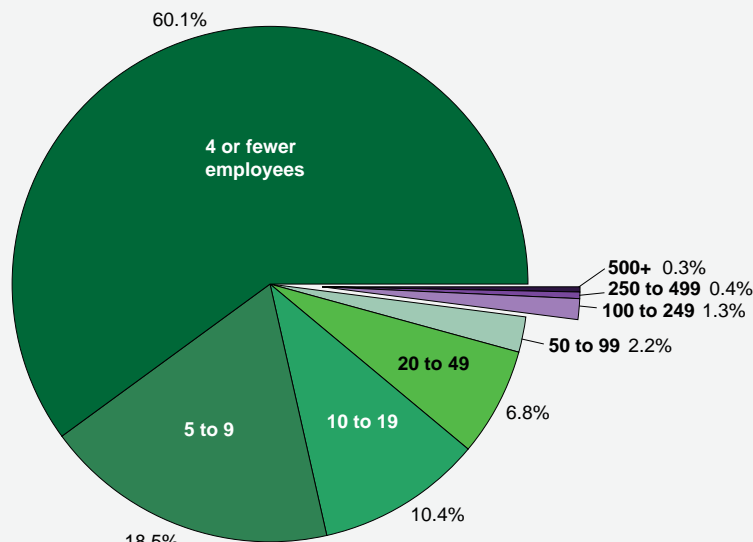
Employer sizes vary by industry

The state had 353 large firms in 2011, and 56 with more than 500 employees.

Different industries have different distributions of firms by size. The oil and gas industry, for example, is dominated by large employers. Ninety-one percent of oil and gas jobs were in large

1 Most Firms Are Small

Alaska, by number of employees, 2011



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

firms and 69 percent were in companies with at least 500 employees. (See Exhibit 3.)

The distribution for hard rock mining and manufacturing was similar. Most manufacturing employees work in seafood processing, which like oil and gas consists of mostly large employers.

On the opposite side of the spectrum were bars and restaurants, where more than half of employees worked for firms with fewer than 50 employees.

What is a “firm”?

Numbers for this article come from reports that private employers file on their workers and wages. Unemployment insurance laws require businesses to submit these reports if they have employees.

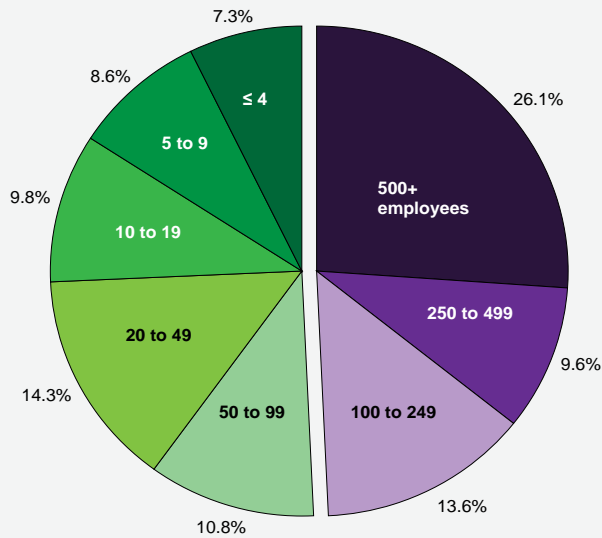
This article considers each business a firm, rather than each

business location. For example, a large grocery chain with multiple locations in the state is one business and would be considered one firm.

A franchise can also be a single firm with multiple locations if they are all operated by the same franchisee. However, franchise locations with different owners would be considered separate firms because they are operated as separate businesses.

2 Half of Jobs Are in Large Firms

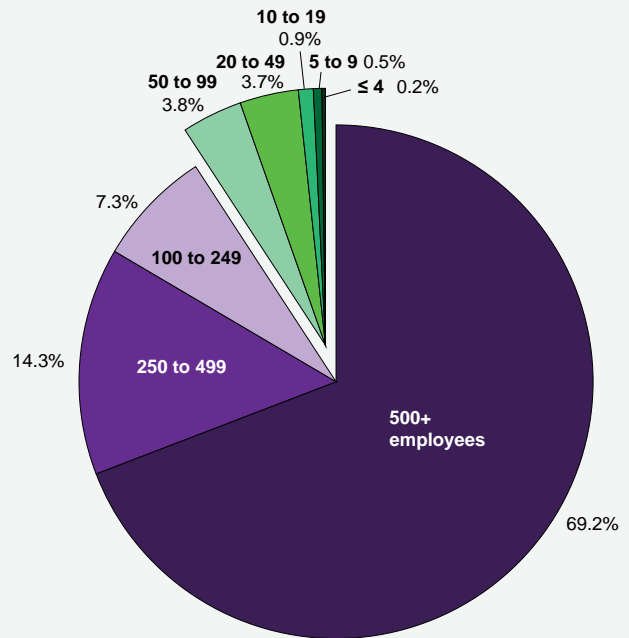
Alaska, by number of employees, 2011



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

3 Oil Jobs Mostly in Large Firms

Alaska, 2011



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

These are extreme examples, though. Health care is an example of an industry with a more typical mix of large and small firms.

Oil companies pay high wages

Larger firms pay a disproportionately large share of the state's wages; for example, firms in the 100-plus category employed 49 percent of workers but paid 55 percent of wages. Average wages among the larger firms were generally higher, but the high concentration of large firms in oil and gas, the state's highest-paying industry, skewed the results.

If we exclude oil as shown in the lighter bars in Exhibit 4, average yearly wages were still lower for small firms, but not by nearly as much — and the highest wages are actually in firms with 50 to 99 employees.

Overall, those working for the smaller companies tend to make less. In a similar vein, a survey of employee benefits published in the April 2002 issue of *Alaska Economic Trends* found that health care and leave benefits were

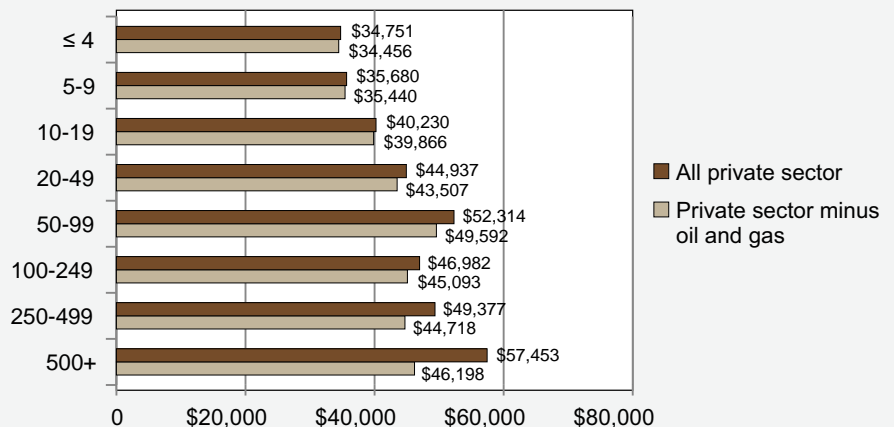
strongly associated with firm size; the larger the firm, the more likely it was to provide benefits.

Little change over time

What also stands out about the size distribution of Alaska's firms is its stability — it doesn't change

4 Average Yearly Wages by Firm Size

Alaska, 2011

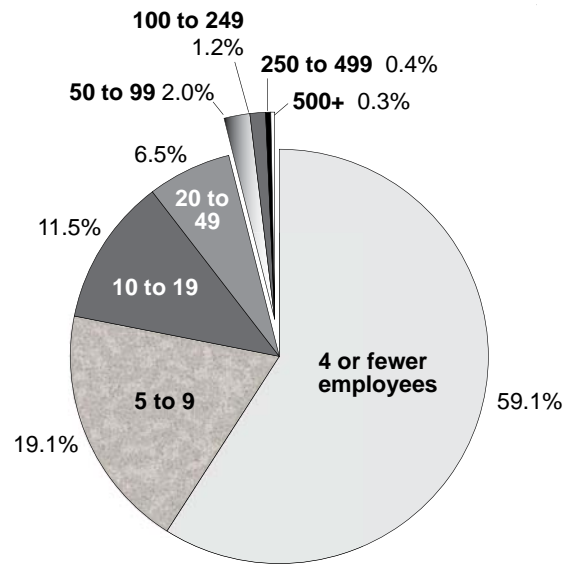


Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

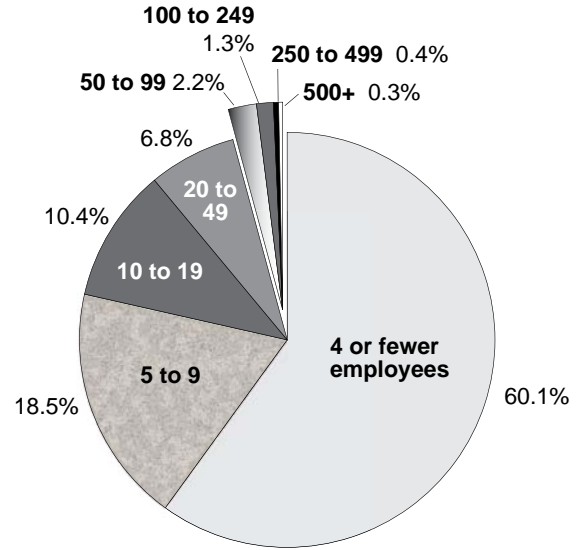
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Alaska's Firm Size Distribution Has Been Stable

1995 and 2011



Alaska 1995



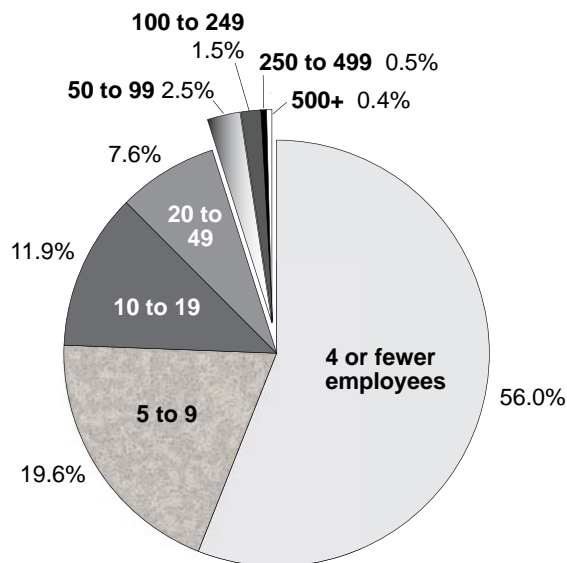
Alaska 2011

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

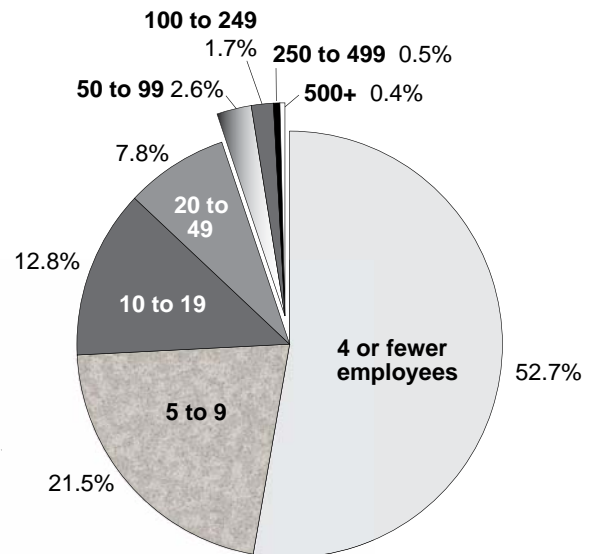
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Alaska and the U.S. Have Similar Firm Size Distributions

By number of employees as of March 2011



United States



Alaska*

*Data for Alaska are calculated differently here than elsewhere in the article. Firm size was determined by the March 2011 employment level to make it comparable to the U.S. data. Exhibit 6 shows Alaska's business size distribution for all of 2011.

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

much by area, nor has it changed substantially over time.

Alaska has nearly 2,400 more firms today than it had in 1995, but their size distribution is almost identical — in other words, large employers aren't becoming more or less dominant. (See Exhibit 5.)

Alaska's firm size distribution also resembles that of its closest neighbors, Oregon and Washington, as well as the nation as a whole. (See Exhibit 6.) The biggest difference was in the smallest class — businesses with four or fewer employees — where Alaska's share was slightly lower than the nation's.

7 Alaska's Private-Sector Firms by Industry

Size distributions, jobs, and wages, 2011

Industry	Size class	Number of firms	Avg monthly employment	Total wages	Average annual wages
All Industries	500+	56	64,564	\$3,709,385,484	\$57,453
	250-499	71	23,712	\$1,170,830,882	\$49,377
	100-249	226	33,570	\$1,577,184,291	\$46,982
	50-99	385	26,597	\$1,391,393,918	\$52,314
	20-49	1,180	35,352	\$1,588,622,387	\$44,937
	10-19	1,805	24,308	\$977,902,619	\$40,230
	5-9	3,205	21,263	\$758,674,006	\$35,680
	0-4	10,414	18,018	\$626,144,251	\$34,751
Total		17,342	247,384	\$11,800,137,838	\$47,700
Oil and Gas	500+	7	9,392	\$1,160,556,708	\$123,569
	250-499	6	1,944	\$197,412,341	\$101,550
	100-249	6	995	\$108,285,159	\$108,829
	50-99	7	519	\$98,142,879	\$189,100
	20-49	16	501	\$72,361,699	\$144,435
	10-19	9	127	\$13,891,371	\$109,381
	5-9	11	72	\$7,669,213	\$106,517
	0-4	28	30	\$6,354,036	\$211,801
Total			13,580	\$1,664,673,406	\$122,583
Hard Rock Mining	500+	2	—	—	—
	250-499	2	—	—	—
	100-249	3	453	\$39,983,887	\$88,265
	50-99	3	216	\$22,604,385	\$104,650
	20-49	4	114	\$11,931,808	\$104,665
	10-19	14	174	\$14,921,883	\$85,758
	5-9	13	95	\$6,036,889	\$63,546
	0-4	53	84	\$6,373,352	\$75,873
Total			2,823	\$268,284,547	\$95,035
Construction	250-499	1	—	—	—
	100-249	10	1,583	\$144,920,073	\$91,548
	50-99	36	2,417	\$229,661,420	\$95,019
	20-49	135	3,905	\$286,615,404	\$73,397
	10-19	193	2,593	\$164,794,463	\$63,554
	5-9	369	2,440	\$134,580,792	\$55,156
	0-4	2,077	2,483	\$100,789,612	\$40,592
Total			—	—	—
Manufacturing	500+	6	6,421	\$211,576,899	\$32,951
	250-499	4	1,290	\$61,510,756	\$47,683
	100-249	11	1,649	\$90,387,673	\$54,814
	50-99	19	1,277	\$44,316,586	\$34,704
	20-49	41	1,269	\$55,347,479	\$43,615
	10-19	66	906	\$36,677,376	\$40,483
	5-9	91	610	\$20,169,582	\$33,065
	0-4	276	501	\$18,052,253	\$36,032
Total			13,923	\$538,038,604	\$38,644
Retail Trade	500+	8	12,658	\$369,934,279	\$29,225
	250-499	11	3,521	\$100,442,401	\$28,527
	100-249	33	5,006	\$161,633,885	\$32,288
	50-99	33	2,204	\$73,935,421	\$33,546
	20-49	155	4,633	\$146,952,758	\$31,719
	10-19	232	3,085	\$76,071,908	\$24,659
	5-9	457	3,026	\$70,190,334	\$23,196
	0-4	997	2,006	\$42,933,064	\$21,402
Total			36,139	\$1,042,094,050	\$28,836
Transportation and Warehousing	500+	6	5,270	\$454,862,188	\$86,312
	250-499	10	3,872	\$186,657,036	\$48,207
	100-249	26	3,619	\$191,883,607	\$53,021
	50-99	25	1,781	\$90,872,300	\$51,023
	20-49	60	1,829	\$88,689,991	\$48,491
	10-19	90	1,229	\$52,463,311	\$42,688
	5-9	139	940	\$37,708,609	\$40,116
	0-4	498	827	\$33,523,207	\$40,536
Total			19,367	\$1,136,660,249	\$58,691

7 Alaska's Private-Sector Firms by Industry, cont.

Size distributions, jobs, and wages, 2011

Industry	Size class	Number of firms	Average monthly employment	Total wages	Average annual wages
Information	500+	2	—	—	—
	250-499	2	—	—	—
	100-249	7	1,124	\$60,008,452	\$53,388
	50-99	15	947	\$38,541,563	\$40,699
	20-49	22	686	\$31,829,438	\$46,399
	10-19	36	464	\$20,301,914	\$43,754
	5-9	37	245	\$9,549,084	\$38,976
	0-4	146	252	\$11,726,088	\$46,532
Total			6,486	\$377,207,239	\$58,157
Financial Activities	500+	4	3,865	\$202,302,652	\$52,342
	250-499	5	1,410	\$72,989,978	\$51,766
	100-249	15	2,027	\$110,053,916	\$54,294
	50-99	26	1,779	\$109,393,286	\$61,491
	20-49	63	1,931	\$123,074,093	\$63,736
	10-19	97	1,317	\$62,758,577	\$47,653
	5-9	179	1,160	\$44,160,321	\$38,069
	0-4	740	1,309	\$45,550,378	\$34,798
Total			14,798	\$770,283,201	\$52,053
Professional and Business Services	500+	1	—	—	—
	250-499	3	1,000	\$64,102,284	\$64,102
	100-249	20	2,776	\$157,195,397	\$56,627
	50-99	77	5,521	\$373,886,772	\$67,721
	20-49	185	5,530	\$297,923,744	\$53,874
	10-19	269	3,650	\$189,160,142	\$51,825
	5-9	443	2,941	\$137,276,665	\$46,677
	0-4	2,052	3,151	\$143,942,184	\$45,681
Total			—	—	—
Health Care	500+	12	15,069	\$831,376,850	\$55,171
	250-499	6	2,210	\$105,073,229	\$47,544
	100-249	28	4,015	\$159,954,215	\$39,839
	50-99	19	1,273	\$59,842,568	\$47,009
	20-49	84	2,459	\$123,778,493	\$50,337
	10-19	196	2,553	\$126,003,089	\$49,355
	5-9	378	2,481	\$101,796,154	\$41,030
	0-4	680	1,444	\$50,524,573	\$34,989
Total			31,504	\$1,558,349,171	\$49,465
Social Services	500+	2	—	—	—
	250-499	7	2,194	\$59,850,503	\$27,279
	100-249	20	3,103	\$96,978,368	\$31,253
	50-99	14	1,023	\$28,543,277	\$27,902
	20-49	47	1,359	\$35,765,457	\$26,317
	10-19	57	798	\$19,202,145	\$24,063
	5-9	56	376	\$9,000,720	\$23,938
	0-4	154	288	\$6,424,872	\$22,309
Total			—	—	—
Leisure and Hospitality	500+	5	3,798	\$92,717,692	\$24,412
	250-499	7	2,334	\$56,852,235	\$24,358
	100-249	30	4,744	\$112,141,218	\$23,639
	50-99	66	4,460	\$90,837,626	\$20,367
	20-49	228	6,810	\$126,823,970	\$18,623
	10-19	306	4,158	\$69,404,232	\$16,692
	5-9	516	3,437	\$57,310,076	\$16,674
	0-4	1,183	2,273	\$40,439,994	\$17,791
Total			32,014	\$646,527,043	\$20,195

Note: A dash means the data are confidential.

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

Employment Scene

Unemployment rates are subject to multiple revisions

Alaska's unemployment rate is a popular and timely economic indicator, but it's also a complicated one. For one, the rate doesn't just measure Alaskans who aren't working — to be considered unemployed, people have to be part of the labor force. This means they are at least 16, not institutionalized, and available to work. They also have to want to work, which excludes many retirees and stay-at-home parents.

Alaska's labor force was estimated at more than 376,000 in July, and about 27,000 were officially unemployed. These estimates

come from three main sources: the Current Population Survey — a joint survey by the U.S. Census Bureau and the Bureau of Labor Statistics, Alaska's monthly employment estimates, and unemployment insurance claims.

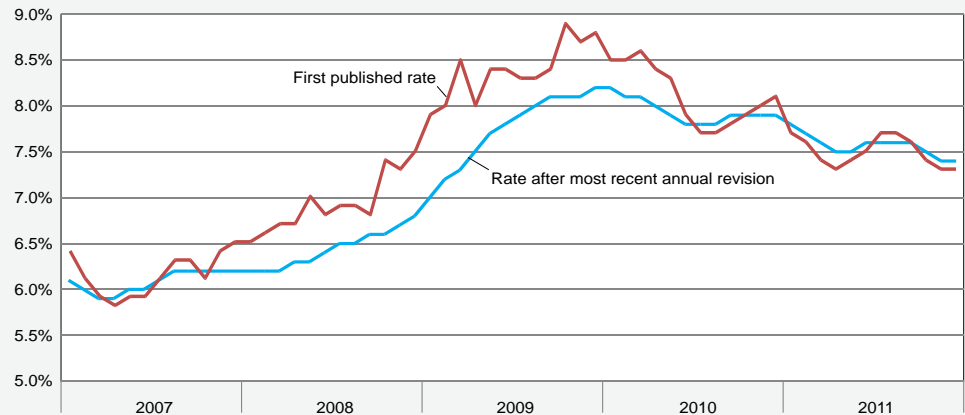
BLS uses its Local Area Unemployment Statistics, or LAUS, models to calculate the size of the labor force, number of unemployed, and the unemployment rate — the unemployed population divided by the size of the labor force — for each state and sub-state area. The rate is also reported as a seasonally adjusted figure at the statewide level each month.

That's the easy part. What can be tricky is that each month's rate is subject to frequent and possibly substantial revisions for years, with the first one a month after release. For example, Alaska's preliminary seasonally adjusted rate for May 2011 was released in June and was 7.4 percent. It was revised and re-released in July at 7.3 percent. A year later, it was revised up to 7.5 percent. It could be revised again in early 2013, and revisions are possible for up to five years.

The availability of better data is one of several rea-

Revisions Smooth Out the Unemployment Rate

Alaska, 2007 to 2011



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

sons for revisions. The CPS data, monthly job estimates, and unemployment claimant counts all get better with time. For example, the monthly employment numbers are revised each month as straggling employers submit reports.

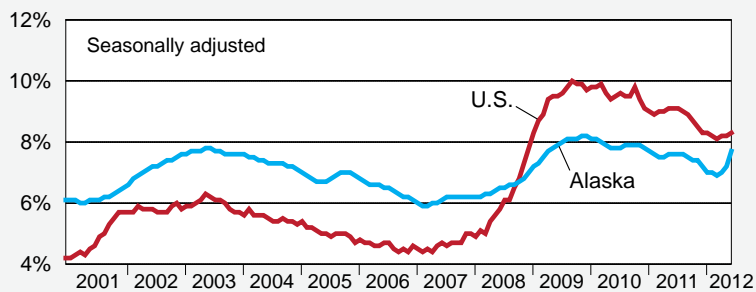
Monthly employment estimates are also benchmarked — another word for revised — each year to the employment totals generated by the Quarterly Census of Employment and Wage data, a census of all firms covered by unemployment insurance. Data from the CPS are also benchmarked to regional and national totals. Not only do the data change, but the LAUS model tries to smooth the historic unemployment rates to prevent month-to-month spikes that don't accurately reflect economic conditions.

Exhibit 1 shows the difference between the first published rate and the most recent annual revision of Alaska's seasonally adjusted unemployment rate. It is important to note that the most recent revision does not necessarily represent the final revision, as the rates can change multiple times. The most recent revision is a lot smoother and has

Continued on page 14

2 Unemployment Rates

January 2001 to July 2012



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

4 Unemployment Rates

Boroughs and census areas

	Prelim.	Revised	
	7/12	6/12	7/11
SEASONALLY ADJUSTED			
United States	8.3	8.2	9.1
Alaska Statewide	7.7	7.2	7.6
NOT SEASONALLY ADJUSTED			
United States	8.6	8.4	9.3
Alaska Statewide	7.3	7.6	6.8
Anchorage/Mat-Su Region			
Municipality of Anchorage	6.2	6.3	6.0
Matanuska-Susitna Borough	8.6	8.9	8.0
Gulf Coast Region			
Kenai Peninsula Borough	7.9	8.5	7.6
Kodiak Island Borough	6.1	7.0	6.1
Valdez-Cordova Census Area	6.7	7.5	6.0
Interior Region			
Denali Borough	4.5	5.0	3.8
Fairbanks North Star Borough	6.6	6.9	6.1
Southeast Fairbanks Census Area	10.5	10.8	9.5
Yukon-Koyukuk Census Area	15.8	15.5	15.2
Northern Region			
Nome Census Area	14.4	13.7	14.1
North Slope Borough	6.3	6.5	5.8
Northwest Arctic Borough	15.9	16.9	14.3
Southeast Region			
Haines Borough	5.1	6.9	4.7
Hoonah-Angoon Census Area	11.8	12.9	11.0
Juneau, City and Borough of	5.0	5.1	4.8
Ketchikan Gateway Borough	5.8	6.4	5.6
Petersburg Census Area ¹	8.9	10.8	7.3
Prince of Wales-Hyder Census Area	12.8	14.7	12.6
Sitka, City and Borough of	5.2	6.2	4.8
Skagway, Municipality of	2.3	3.2	2.8
Wrangell, City and Borough of	5.8	7.7	5.1
Yakutat, City and Borough of	7.7	8.3	7.0
Southwest Region			
Aleutians East Borough	8.9	13.3	7.5
Aleutians West Census Area	7.3	8.5	5.7
Bethel Census Area	16.8	17.3	14.9
Bristol Bay Borough	1.4	2.1	1.1
Dillingham Census Area	8.2	10.5	7.7
Lake and Peninsula Borough	4.7	7.1	4.4
Wade Hampton Census Area	24.9	25.4	22.6

3 Statewide Employment

Nonfarm wage and salary

Alaska	Preliminary		Revised		Year-Over-Year Change	
	7/12	6/12	7/11	7/11	90% Confidence Interval	
Total Nonfarm Wage and Salary¹	351,000	349,600	354,400	-3,400	-9,477	2,677
Goods-Producing ²	54,100	48,700	59,300	-5,200	-8,166	-2,234
Service-Providing ³	296,900	300,900	295,100	1,800	-	-
Mining and Logging						
Mining	17,400	17,200	16,600	800	-435	2,035
Oil and Gas	16,900	16,700	16,200	700	-	-
Construction	13,500	13,400	13,300	200	-	-
Manufacturing	16,000	15,300	18,200	-2,200	-3,713	-687
Wholesale Trade	20,700	16,200	24,500	-3,800	-6,159	-1,441
Retail Trade	6,900	6,400	6,700	200	-139	539
Food and Beverage Stores	37,500	37,100	37,500	0	-784	784
General Merchandise Stores	6,500	6,500	6,600	-100	-	-
Transportation, Warehousing, Utilities	10,800	10,600	10,100	700	-	-
Air Transportation	24,800	24,700	24,500	300	-534	1,134
Information	6,500	6,500	6,500	0	-275	275
Telecommunications	4,100	4,200	4,200	-100	-	-
Financial Activities	15,700	15,500	15,200	500	-367	1,367
Professional and Business Services	29,000	29,800	29,200	-200	-1,556	1,156
Educational ⁴ and Health Services	46,200	46,400	44,100	2,100	965	3,235
Health Care	32,500	32,400	31,700	800	-	-
Leisure and Hospitality	40,000	38,800	40,400	-400	-3,069	2,269
Other Services	11,100	11,500	11,200	-100	-921	721
Government						
Federal Government ⁵	79,200	84,200	79,800	-600	-	-
State Government	17,000	16,900	18,000	-1,000	-	-
State Government Education ⁶	24,700	25,000	24,900	-200	-	-
Local Government	5,800	6,300	6,000	-200	-	-
Local Government Education ⁷	37,500	42,300	36,900	600	-	-
Tribal Government	18,900	23,800	18,200	700	-	-
	4,500	4,100	4,100	400	-	-

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

¹Excludes 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.

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

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

⁴Private education only

⁵Excludes uniformed military

⁶Includes the University of Alaska

⁷Includes public school systems

Sources for Exhibits 2, 3, and 4: Alaska Department of Labor and Workforce Development, Research and Analysis Section; and U.S. Department of Labor, Bureau of Labor Statistics

EMPLOYMENT SCENE, cont.

fewer irregular jumps.

The largest month-to-month change in the recent revision series shown in the exhibit is two-tenths of a percentage point. The largest month-to-month change in the initial published rate is six-tenths of a percentage point. Changes between the first published rate and the most recent annual revision have ranged from zero to 1.2 percentage points.

This doesn't mean the preliminary unemployment rate and its subsequent monthly revision are useless, though — especially with the understanding that while changes over time can reflect a trend, large month-to-month spikes will likely be smoothed out.

Safety Minute

Program educates teens on job safety at no cost to schools

The department's Alaska Occupational Safety and Health Youth Employment Safety and Training Program has been educating young people on workplace safety for the past three years, with the goal of decreasing teen injuries and fatalities on the job.

At no cost to schools, AKOSH's youth trainer conducts safety presentations and training exercises at middle schools and high schools statewide throughout the school year. The trainer establishes industry-specific curricula ranging from basic workplace safety to specific certification programs to help Alaska's youth become more employable.

A future goal of the program is to expand services to students in rural Alaska. Other program goals include

developing a youth safety and health scholarship and implementing a youth workplace violence awareness program.

If your high school or middle school is interested in having a youth representative speak to students about workplace safety, call Labor Standards and Safety, Alaska Occupational Safety and Health Youth Safety at (800) 656-4972 or e-mail Elaine Banda, the youth training coordinator, at elaine.banda@alaska.gov.

For more information on youth safety, see <http://www.cdc.gov/niosh/topics/youth/>. For information on general workplace safety and health, see www.osha.gov or contact the Alaska Occupational Safety and Health Consultation Youth Training Program at the number listed above.

Employer Resources

Fidelity Bonding Program shields employers from employee theft

The Fidelity Bonding Program allows an employer to insure an "at-risk" employee, at no cost, for six months against job-related theft, forgery, larceny, or embezzlement. Bond insurance reimburses employers for any loss of money or property, at or away from the work site, with no deductible.

The Fidelity Bonding Program, which is administered by the Employment Security Division of the Department of Labor and Workforce Development, is the only program that bonds ex-offenders. It began as a federal program in 1966, and states began administering their own programs in 1998.

Full-time and part-time applicants who are eligible include ex-offenders, recovering substance abusers, welfare recipients, and those with poor credit. People who lack a work history or have been dishonorably discharged from the military may also be covered. Em-

ployees must be of legal working age in Alaska, and the self-employed are not eligible.

Bonds are typically issued for \$5,000; higher amounts depend on the particular job and employment circumstances, and must be approved by the program's bonding coordinator. Bonds may also be issued to cover current employees who need bonding to prevent being laid off or to secure a job transfer or promotion.

Employers seeking bonding insurance can call their closest Alaska Job Center. To find the nearest job center, go to: www.jobs.alaska.gov/offices/ or call (877) 724-ALEX (2539).

For more information about the program, visit the Fidelity Bonding Program Web site at: www.labor.alaska.gov/bonding.