

A historical connection between the two

North to Alaska
Way up north, (North to Alaska.)
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North to Alaska,
They're goin' North, the rush is on.
North to Alaska,
They're goin' North, the rush is on.
— Johnny Horton, 1960

Historically, when national recessions have driven the U.S. unemployment rate above 7 percent, Alaska's population gains from migration have also spiked. (See Exhibit 1.) The U.S. rate has been above 7 percent since last December and reached 9.4 percent in May. For at least the next year any improvement in the nation's job-less picture is unlikely.

Despite the national recession, Alaska has fared relatively well so far. Through April, Alaska and North Dakota were the only two states still showing over-the-year job growth. Given this and other circumstances, it's hard to imagine that Alaska won't become a bigger draw for folks looking for job opportunities.

Even during normal times, Alaska has a lot of migration

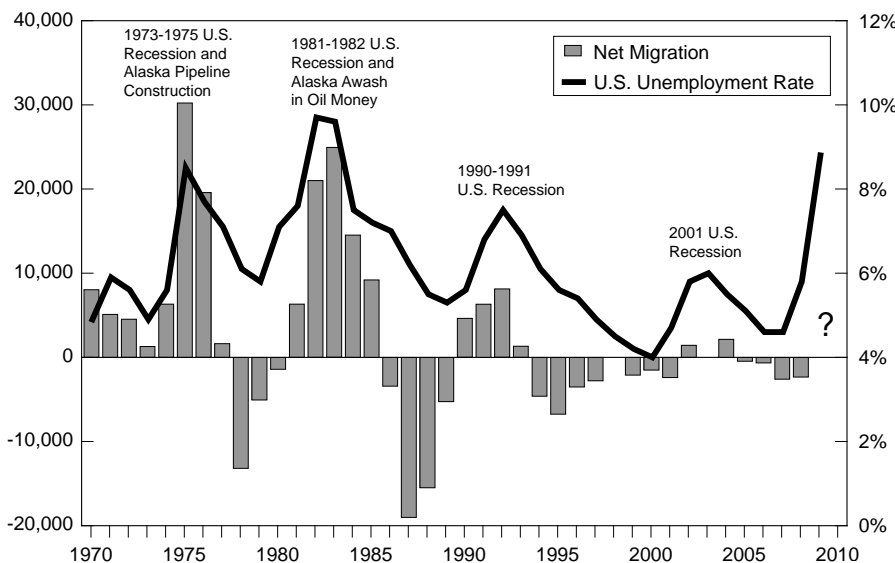
Thousands of people move to and from Alaska every year. Last year,¹ about 94,200 people either migrated in or out. That's a higher percentage of the state's total population than in any other state.

The 94,200 number breaks down into 45,800 people who moved to Alaska and 48,400 who moved out. That means the net change to the state's population from migration was -2,600. Military rotations explain much of the yearly coming and going and company relocations also contribute. But a substantial portion of the migration is the result of people simply looking for new or better opportunities.

Migration numbers have been more balanced in recent years

Since the late 1980s, there has been an absence in Alaska of big swings in net migration and both employment and total population growth² have been moderate. (See Exhibits 2 and 3.) During 12 of the past 20 years, slightly more residents left

1 A Noticeable Relationship Alaska net migration and U.S. unemployment rates



Note: Unemployment rates are the average monthly rates (not seasonally adjusted) for each year, except 2009. The 2009 rate is the average unadjusted rate for the first four months of the year.
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Department of Labor, Bureau of Labor Statistics

¹ Migration statistics are calculated from July 1 to June 30, so the 94,200 number is from July 1, 2007, to June 30, 2008.

² Alaska's population growth has come primarily from natural increase (births minus deaths) in the last 20 years.

the state than moved in, but the overall effect migration has had on the state's population has been muted.

This was not always typical of Alaska's migration patterns. Wild swings in how much migration added to or subtracted from the state's population occurred during the 1950s, 1970s and most recently in the 1980s. The swings can generally be traced to major economic events, including large military build-ups, the construction of the trans-Alaska oil pipeline, and the oil revenue boom and subsequent bust.

Two Alaska booms have coincided with U.S. recessions

The other major influence on migration trends has been national economic conditions. For example, during the oil revenue boom of the early 1980s when a record 60,000 jobs were created in Alaska over just a five-year period – about the same number that have been created in the last 14 years – the U.S. economy was going through its worst post-war recession.³

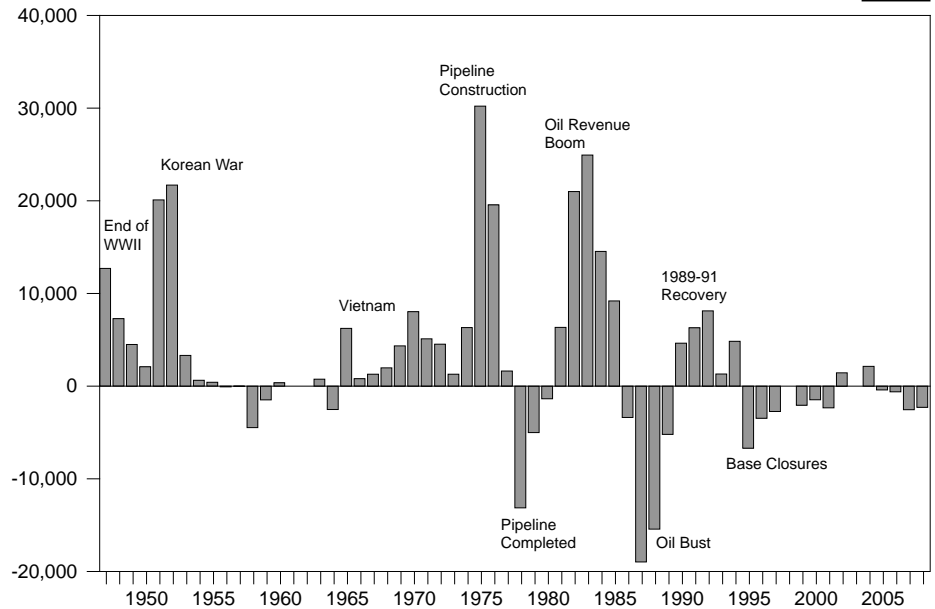
The national unemployment rate hit post-war highs of 9.7 percent⁴ in 1982 and was still at 9.6 percent in 1983. (See Exhibits 1 and 4.) So not only had millions of workers nationwide lost their jobs and become more likely to move in search of work, but Alaska had an especially strong economy with high wages and plentiful jobs.

The story was similar during the construction of the oil pipeline in the mid-1970s – the state's second largest influx of people since statehood. The gold-plated paychecks handed out during pipeline construction were undoubtedly a major attraction, but the country was also in its second-deepest post-war recession, once again making it more likely that people would head to Alaska and that people already in Alaska would

³ The current recession's severity is still being determined.

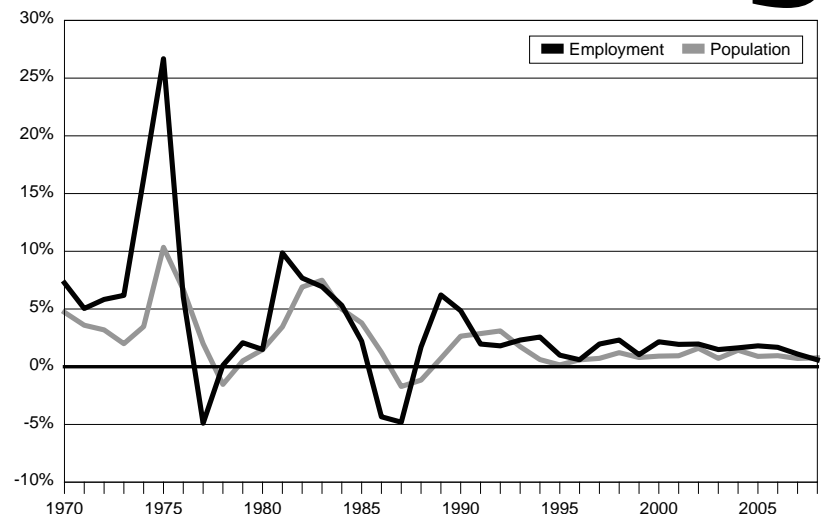
⁴ Unemployment rates cited in this article are the average monthly rates (not seasonally adjusted) for the year, unless otherwise specified.

Economic Events Explain Spikes Alaska net migration, 1947 to 2008 **2**



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

Population and Jobs Move Together Percent change, 1970 to 2008 **3**



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

be more likely to stay. Many of Alaska's current residents made their way to the state as economic refugees during one of these two national recessions.

Two milder recessions and a steady Alaska economy

The most recent time Alaska experienced significant gains from migration was during the U.S.

4 Recessions Equal Migration Gains

Net migration and U.S. unemployment rates

Year ¹	Alaska Total Net Migration	U.S. Unemployment Rate
1970	8,040	4.9%
1971	5,107	5.9%
1972	4,533	5.6%
1973	1,287	4.9%
1974	6,320	5.6%
1975	30,222	8.5%
1976	19,576	7.7%
1977	1,637	7.1%
1978	-13,414	6.1%
1979	-5,289	5.8%
1980	-1,629	7.1%
1981	6,326	7.6%
1982	20,992	9.7%
1983	24,934	9.6%
1984	14,526	7.5%
1985	9,206	7.2%
1986	-3,646	7.0%
1987	-19,245	6.2%
1988	-15,710	5.5%
1989	-5,480	5.3%
1990	4,637	5.6%
1991	6,310	6.8%
1992	8,138	7.5%
1993	1,314	6.9%
1994	-4,840	6.1%
1995	-6,980	5.6%
1996	-3,741	5.4%
1997	-3,001	4.9%
1998	145	4.5%
1999	-2,337	4.2%
2000	-1,740	4.0%
2001	-2,622	4.7%
2002	1,430	5.8%
2003	87	6.0%
2004	2,142	5.5%
2005	-685	5.1%
2006	-884	4.6%
2007	-2,815	4.6%
2008	-2,560	5.8%

Note: Shaded areas represent unemployment rate increases during or following a U.S. recession.

¹ Migration numbers are from July 1 of the previous year to June 30 of the year listed. U.S. unemployment rates are the average monthly rate (not seasonally adjusted) for the calendar year listed.

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

recession of the early 1990s. But unlike during the previous two U.S. recessions, Alaska's economy was stable rather than booming. There was nothing major happening in the state to draw job seekers. Instead, Alaska simply became a relatively more attractive place economically because the nation's labor market deteriorated and Alaska's stayed about the same.

As a result, fewer Alaskans moved out of the state and more people from other states moved to Alaska. The net result was a gain of about 19,000 people over a three-year period. (See Exhibits 1 and 4.)

Most recently, the U.S. recession of 2001 appears to have turned several years of net migration losses into net gains. After losing a net of about 6,700 people from 1999 to 2001, the numbers turned positive for the next three years and the state added 3,700 people as a net result of migration from 2002 to 2004. The numbers are more subdued, but the pattern is still visible despite a relatively mild U.S. recession and an Alaska economy that was stable, but certainly not booming.

The job market is very ugly in most of the nation

May's 9.4 percent unemployment rate was a 26-year high and the nation has already lost 6 million jobs in what's developing into the worst post-war recession to date. That could mean Alaska is about to see migration numbers turn positive to a degree not seen in years.

Are there already signs?

Most of the evidence that Alaska is seeing more migration than average is anecdotal. For example, the Alaska Department of Labor and Workforce Development's job centers are reporting an increase in the number of out-of-state job inquiries. The job centers are also noticing an increase in job applicants who are recent arrivals to the state. Employers tell a similar story.

Although the numbers are small, the number of people filing for unemployment insurance benefits whose base wages were earned in another state are up substantially from 2008. And Alaska's 8.0 percent unemployment rate in April was up 1.4 percentage points from the year-ago level.

Alaska hasn't seen the kind of job losses the nation has suffered, so the increase in unemployment is coming mostly from another source. Part of the explanation is probably that the number

of people actively seeking work in the state has risen because of new arrivals from out of state. Another likely possibility is that fewer people are leaving Alaska to seek job opportunities in the weak national job market.

States that send the most people to Alaska – and take the most in – are struggling

Not only have the national labor market numbers deteriorated over the past 18 months, but so have the economies of California, Washington and Oregon – three states that are the source of much of Alaska’s in-migration and the destination for much of Alaska’s out-migration.

California’s unemployment rate in April hit 11.0 percent, up from 6.6 percent in April 2008. California’s rates are the highest they’ve been since 1983.

Oregon’s unemployment rate moved into double-digit territory in February and in April the Beaver state’s unemployment rate hit 12.0 percent, more than double April 2008’s level. Like in California, unemployment rates haven’t been that high since the early 1980s.

In Washington, the state most economically aligned with Alaska, the April unemployment rate was 9.1 percent, a significant increase from April 2008’s 4.9 percent and a 25-year high.

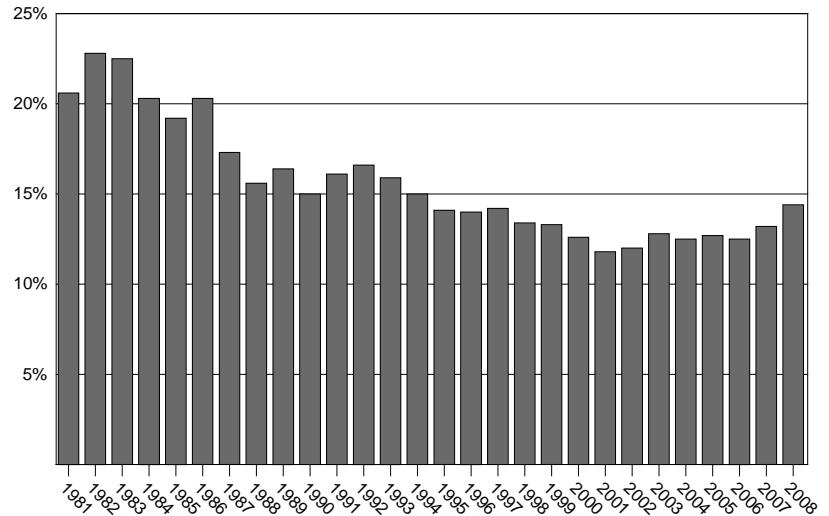
Combined, the number of unemployed in the three states grew from 1.5 million in April of last year to 2.6 million for the same month this year.

How many is a tough call

It’s hard to imagine there won’t be a migration response to the national recession, given its severity and breadth. But for a variety of reasons, it could be restrained.

One reason is the absence of a major billboard economic project on Alaska’s near-term horizon. The situation would be different if construction of the natural gas pipeline was imminent. In that case, there’s little doubt that Alaska would attract tens of thousands of job seekers.

Gross Migration has Moderated 5 Percent of population moving in or out



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

But Alaska’s job market is expected to be soft in 2009,⁵ so unlike the booms of the 1970s and 1980s, or even the stability of the 1990s, Alaska won’t have a plethora of jobs to fill.

Another factor is the decreasing mobility of the nation’s population. U.S. Census data show that the mover rate for the nation’s population fell to a 60-year low in 2008 and Alaska’s gross migration rate has also fallen noticeably since the early 1980s. (See Exhibit 5.) Explanations for the slowdown are numerous. One is the country’s aging population. During the 1970s and 1980s, the baby boomers – a disproportionately large share of the U.S. population – were young and young people move more frequently than older people do.

There’s also a higher percentage of families with two wage earners, which makes moving more difficult. And the most recent development is the deterioration of the country’s housing market. With declining house values and tighter controls on mortgage lending, selling a home is more difficult, which makes moving more difficult for homeowners.

That all said, given the very small size of Alaska’s population – it fits into the City of Seattle proper, with room to spare – even a muted migration

⁵ For more detail, see the January 2009 *Trends*.

response to the nation's economic woes could have a significant impact on the state. Interesting side notes are whether the well-publicized record 2008 Alaska Permanent Fund dividend, talk of a gas pipeline project, a famous governor and the popular TV series, "The Deadliest Catch," have kept Alaska in the public eye and in the minds of job seekers.

It's impossible to gauge precisely how potential job seekers outside the state perceive opportunities in Alaska, but with all that's going on, it will be an interesting few years.

A Safety Minute

Look at Your Worksite Now, So No One Gets Injured

Overexertion causes more than 25 percent of the most disabling workplace injuries – injuries that lead to more than six days away from work.

Analyze your worksite and talk to your employees to identify where excessive lifting, pushing, pulling, holding, carrying and throwing could contribute to injuries. Controlling these hazards can be accomplished by using several approaches:

- Mechanical aids are abundant to assist employees in these activities. Examples are dollies, tongs, hoists, carts and conveyor belts. Thousands of general and industry specific tools and devices are available to keep workers from overexerting themselves.
- Work procedures are another method of reducing overexertion. Changing work surface heights, moving less material at a time, asking for help and shortening work periods are good examples. Ergonomic improvements such as the leverage and position of your body relative to the exertion are helpful. Any change that reduces the weight, frequency and the duration of effort helps.
- Personal protective equipment is available to reduce the effect of exertion as well as protect against the consequences of an accident. The most common type of PPE to provide assistance is the right glove. There are dozens of styles of gloves that make activities easier to accomplish by increasing the grip and comfort while also protecting the hands. Appropriate cold weather and hot weather clothing may be needed to protect employees as well.

Lack of adequate water and food, and working in cold or hot temperatures are important to consider when analyzing your work site.

These are just a few examples of how a smarter work site can make every day safer, more productive and more enjoyable for your company and employees by identifying and preventing overexertion.

Safety consultants with the Alaska Department of Labor and Workforce Development's Occupational Safety and Health are available to provide free assistance and tools to help your worksite reduce injuries. AKOSH is within the Labor Standards and Safety Division. For more information, call (800) 656-4972.