

How Government in Alaska Compares

Do we have more state/local government than other states?

By **DAN ROBINSON**

As Alaska wrestles with an ongoing budget imbalance, one of the questions we face is how much government we want and need. One step toward making that policy decision is understanding how Alaska's government job numbers and wages line up with other states and why states differ.

Mix of state and local jobs varies by state, so they're combined

The different mix of services state and local governments provide around the country makes a straight-across comparison of per capita state government jobs misleading. State and local government are often intertwined through funding as well as function. For example, many public education jobs in Alaska are funded by the state but categorized as local government. As a result, this article combines the two.

On average, about 31 percent of state and local government jobs nationwide are state government, but in Alaska it's 36 percent. Our boroughs and unincorporated areas, called "census areas," provide fewer local government services than equivalent counties, townships, and parishes in other parts of the country, making Alaska's state government responsible for more basic services.

For example, Alaska State Troopers and Village Public Safety Officers do police work that local governments would handle in many states. Similarly, Alaska's state courts try a higher percentage of total cases than in other states, where county courts carry heavy caseloads. Transportation services and infrastructure are another example; the Alaska Department of Transportation and Public Facilities operates the major airports in Anchorage and Fairbanks as well as 200-plus rural airports and a large number of docks.

Federal jobs and their funding are mostly outside the

1 Small States Have More Government

STATE AND LOCAL, 2018

	Govt jobs per 100 people	Population
1 Wyoming	10.6	577,737
2 North Dakota	9.6	760,077
3 Alaska	8.9	736,239
4 Nebraska	8.1	1,929,268
5 Kansas	8.0	2,911,505
6 Vermont	7.9	626,299
7 South Dakota	7.7	882,235
8 Iowa	7.7	3,156,145
9 Oklahoma	7.6	3,943,079
10 New Mexico	7.5	2,095,428
United States	6.1	327,467,434
41 Illinois	5.9	12,741,080
42 Indiana	5.9	6,691,878
43 Tennessee	5.7	6,770,010
44 Georgia	5.6	10,519,475
45 Michigan	5.5	9,995,915
46 Arizona	5.0	7,171,646
47 Pennsylvania	4.7	12,807,060
48 Rhode Island	4.7	1,057,315
49 Nevada	4.7	3,034,392
50 Florida	4.6	21,299,325

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

sphere of the state's budget and influence, so they are excluded from this analysis.

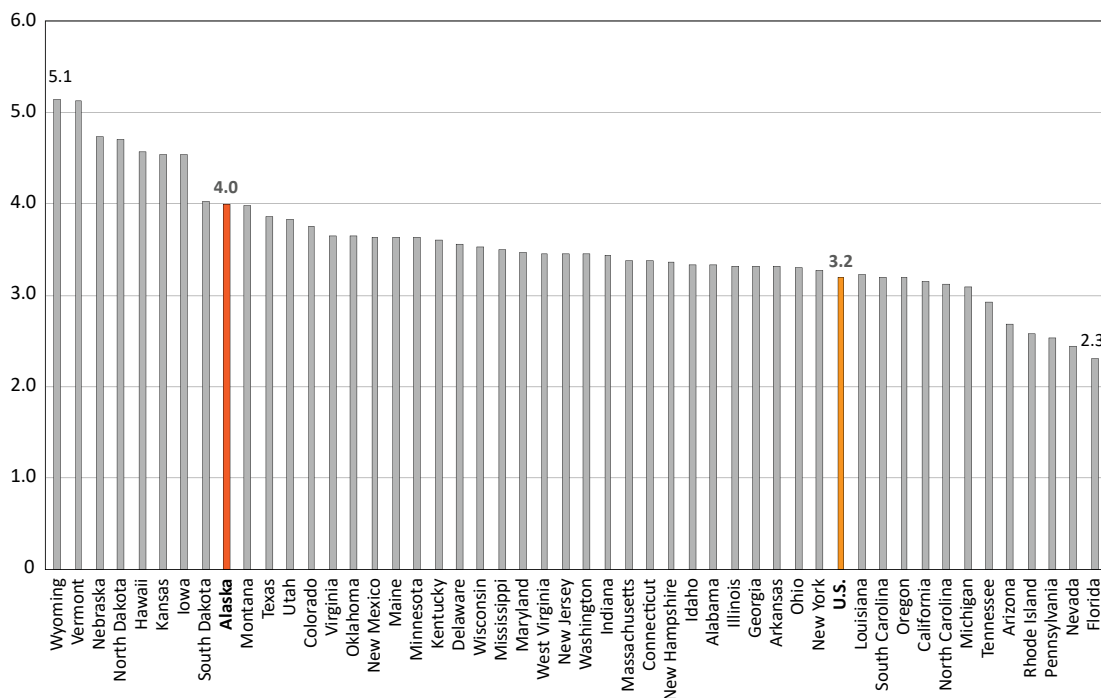
Small population, vast size mean more government jobs per capita

States with small populations tend to have more government jobs per capita. Wyoming, the least-popu-

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Government Education Jobs Per 100 People

WITHIN STATE AND LOCAL GOVERNMENT, BY STATE, 2018



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

lated state at around 580,000, has the most state and local government jobs per 100 people, at 10.6. (See Exhibit 1.) Of the six states with fewer than a million people, five rank in the top 10 for government jobs per capita.

Delaware is the outlier. With a population of about 967,000 in just 1,955 square miles, Delaware is about one-fiftieth the size of Wyoming. It ranks 30th in government jobs per capita, at 6.3.

Delaware highlights that land size is another relevant factor in per capita government job numbers. North Dakota is about 35 times larger than Delaware, and Alaska is nearly 300 times larger. It's easier and more efficient to provide government services in a state that's smaller and more densely populated.

Biggest chunk of government jobs by far are in education

About two-thirds of all state and local government jobs nationwide are connected to education: primarily public universities and community colleges at the state level and public K-12 schools at the local level. Alaska ranks ninth for public education jobs, with 4.0 for every 100 people. (See Exhibit 2.)

The nation has 3.2 public education jobs per 100

About the numbers

This article uses only jobs that are covered by state unemployment insurance laws. Employers, including state and local governments, are required to file quarterly reports that detail the numbers and types of workers on their payroll as well as the amounts they were paid.

Elected and appointed state and local government positions are generally not covered by unemployment insurance and are not included here.

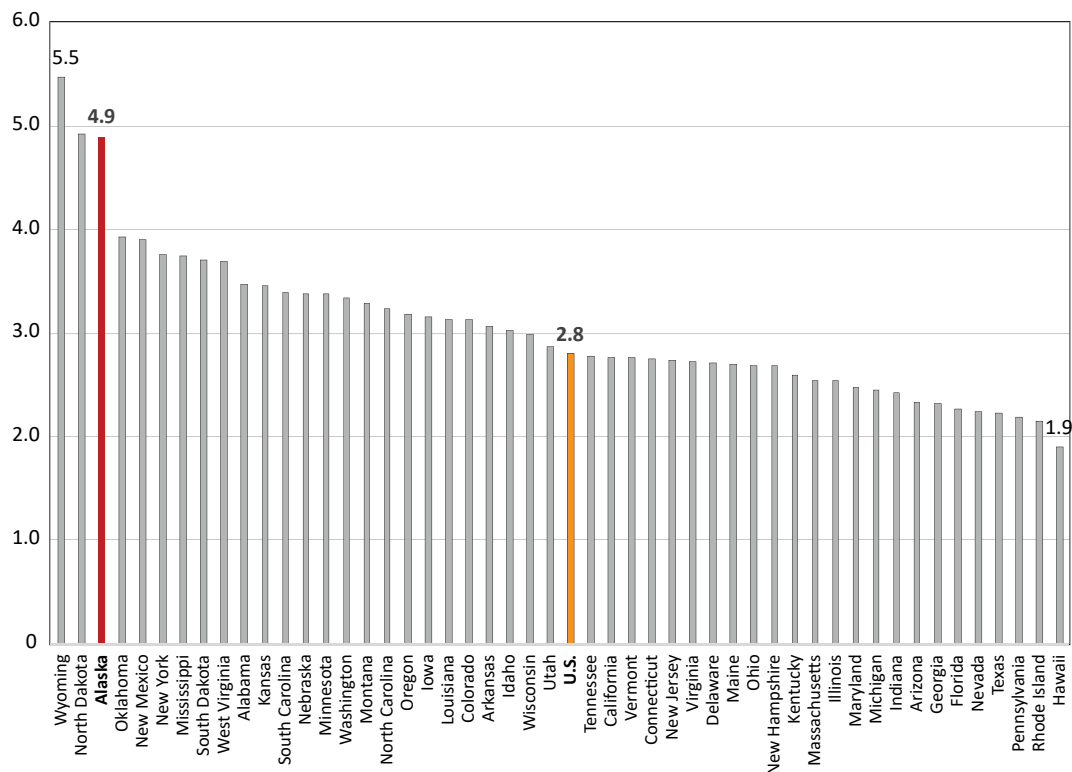
These jobs numbers are annualized. In other words, a job that lasted six months is counted as 0.5 jobs. They also are not necessarily full-time.

Local government includes jobs in tribal government. In Alaska, tribal government accounts for just under 10 percent of local government employment.

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Noneducation Government Jobs Per 100 People

STATE AND LOCAL GOVERNMENT BY STATE, 2018



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

people. The most populous states have relatively few, which again suggests efficiencies are available with larger and more concentrated populations.

Consider, for example, the number of education jobs relative to the population in one of Alaska's rural school districts versus large urban school districts. Even the smallest, most remote schools require building and maintenance, administrative, and managerial staff in addition to teachers.

Texas is an exception in this category. Despite being the second most populated state, Texas has a relatively high concentration of public education jobs, at 3.9 per 100 people. Geography is the likely explanation for this outlier as well, as Texas is second-largest geographically, after Alaska. Parts of Texas have dispersed, remote, and small populations, which would require more government workers per capita to deliver the same level of services.

Alaska ranks third per capita for jobs outside education

Putting education-related government jobs aside, three states have noticeably higher concentrations of other

government jobs: Wyoming, North Dakota, and Alaska. The top five states in this category all depend heavily on natural resources, and oil in particular.

The four highest-ranked states and the three lowest show another pattern that might seem confusing: political leanings. At the high end for noneducation government jobs per capita, Wyoming, North Dakota, Alaska, and Oklahoma are solidly red, having voted Republican in at least the four most recent presidential elections. The three states with the lowest concentrations of these jobs — Hawaii, Rhode Island, and Pennsylvania — are solidly or predominantly blue (Pennsylvania voted Democratic until the 2016 election).

These rankings shouldn't be interpreted to mean red states have more government jobs and blue states fewer per capita; rather, they suggest politics is less important than other factors in determining a state's concentration of government jobs.

Alaska government jobs pay a little less than average

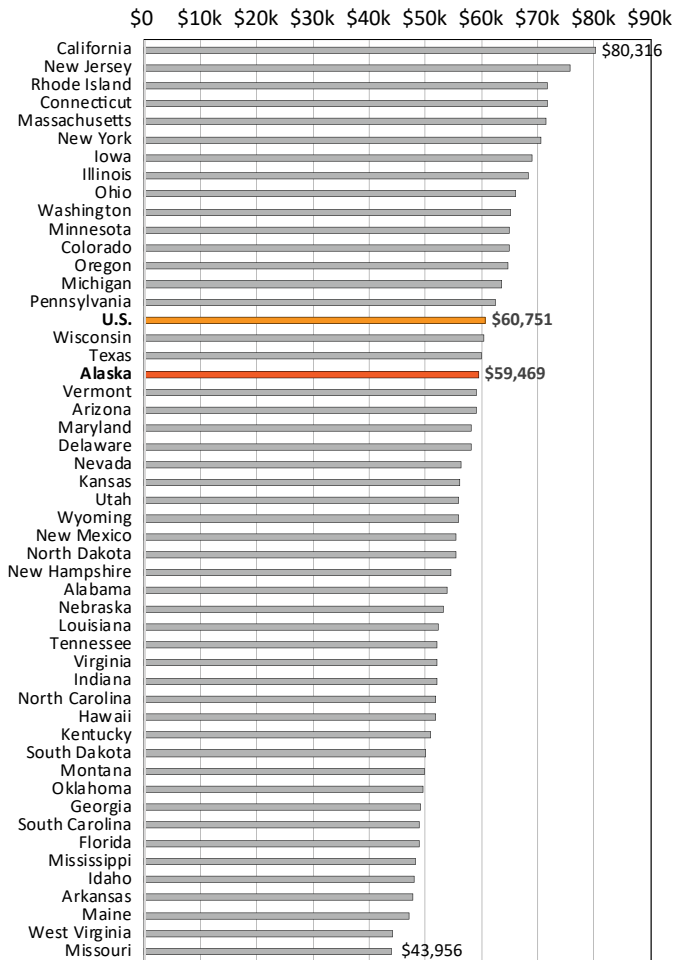
Another relevant comparison is how much state and

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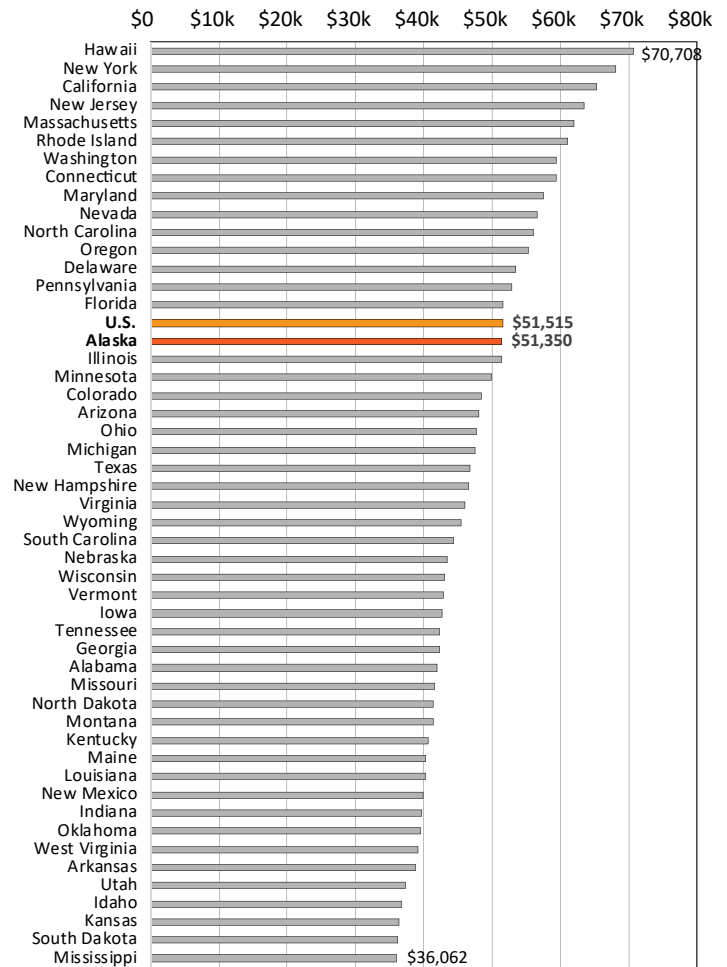
What Government Jobs Pay By State

STATE AND LOCAL, AVERAGE YEARLY WAGES, 2018

State Government



Local Government



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

local government jobs pay by state. Alaska's average wages for both are slightly below average, which is somewhat surprising given our higher costs of living and historically high overall wages. (See Exhibit 4.)

The average state government job in Alaska paid \$59,469 in 2018, ranking 18th among states and slightly below the nationwide average of \$60,751. California's state government jobs paid the most at more than \$80,000 while Missouri's and West Virginia's paid the least at around \$40,000 per year.

States' politics appear to play more of a role in wages than in job numbers, as the six states with the highest state government wages — California, New Jersey, Rhode Island, Connecticut, Massachusetts, and New

York — all voted for Democrats in the last four presidential elections.

The pattern is less clear at the low end, though, mostly because the third-lowest-paying state for state government state, Maine, is solidly blue. Otherwise, Missouri, West Virginia, Arkansas, Idaho, and Mississippi — the other lowest-paying states — are red.

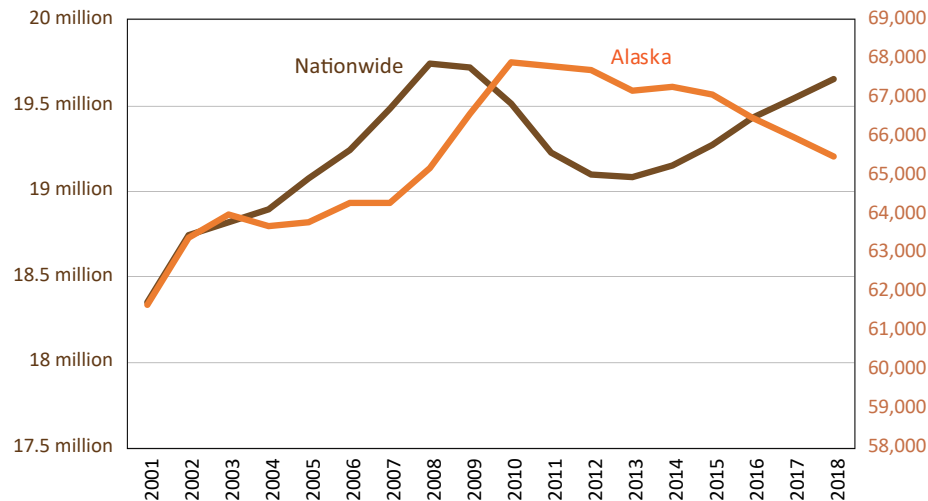
Government wages appear to be driven by a number of factors, though, with cost of living and private sector wages in the state being most relevant.

Local government jobs in Alaska paid an average of \$51,350 in 2018, which ranked 16th. Generally, local government jobs require slightly less education and

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Alaska's Government Jobs On Long Decline

STATE AND LOCAL, COMPARED TO U.S., 2001 TO 2018



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

training than jobs in state government.

At the top for local government was Hawaii at nearly \$71,000. States with high state government wages tend to also have high local government wages, although a few exceptions were North Carolina and Florida, both of which had relatively low state government wages but higher-than-average local government wages.

Alaska's government pattern diverged from the nation's

The strength of states' economies has played a strong role in how their government job numbers have risen and fallen since 2001. Nationally, state and local government employment grew strongly from 2001 to 2008 until the deep national recession hit state and local revenues hard. Job numbers fell sharply from 2008 to 2013. (See Exhibit 5.)

Over the last five years, the national numbers have recovered nearly all of that lost ground. Still, over the past two decades, the nation's population has grown twice as fast as state and local government employment. The U.S. population grew 15 percent from 2001 to 2018 while state and local government employ-

ment grew 7 percent.

Alaska's pattern has been quite different. Alaska's state and local government employment grew more slowly than it did nationwide from 2002 to 2007, then picked up speed over the next three years, primarily due to historically high oil revenues.

Then, in 2010, Alaska's government job numbers began falling as Alaska wrestled with budget deficits and dramatically lower oil revenue.

Overall, the state's population grew more than 16 percent from 2001-2018, and government jobs grew by about 6 percent.

Alaska still has more government per capita than the nation as a whole, but we have less than our closest peer states, Wyoming and North Dakota. We also don't stand out from other states once population and geographic size are taken into account. Whether Alaska still has too many government jobs is a policy question rather than something these numbers alone can determine, but it's clear that Alaska has become considerably leaner over the last eight years.

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