

The Cost of Living in Alaska

By John Boucher

Introduction

Alaska has a reputation of being a place where living costs are very high. Alaska's size, climate, and distance from markets explains much of the difference in living costs between Alaska and the rest of the continental U.S. Geography and market size are also reasons for different costs of living between communities within Alaska.

Alaska's land area is 566,432 square miles or nearly one-fifth the combined land area of the other forty-nine states. Spread out over this huge area is the third smallest population in the U.S., 539,600 in 1985, or less than one person per square mile. In addition to a widely dispersed population, Alaska's largest market and distribution center, Anchorage, is more than 2,400 road miles away from Seattle. Consequently, providing goods and services to communities around the state presents difficult operational problems, complicated by a lack of roads and uncertain weather.

Alaska's harsh weather conditions not only complicate the distribution of goods and services it also makes infrastructure more expensive to build and maintain. Roads, buildings and water and sewer lines must be built to withstand the rigors of a climate that can fluctuate from 95 degrees in the summer to -70 degrees in the winter.

These two factors and the costs involved in overcoming them restricts the availability of goods and services in many Alaska communities. As a consequence, Alaska's smaller isolated towns may not have the price variations available in larger cities. Smaller communities in Alaska, especially those located some distance from a population center, have their own problems. Items that have to be brought into these areas such as food, fuel oil, and other supplies or local purchases may be exorbitantly expensive. However, one consideration is that in rural areas of Alaska a subsistence lifestyle contributes to supplementing income and bringing the overall cost of living down.

The businessman or individual can get a more comprehensive view of the Alaskan economy with respect to the cost of living or the cost of operating a business from the data presented in this article. Careful analysis is required before drawing conclusions about cost differences between Alaska and other locations. In addition, value judgments will be necessary in the decision making process. For example the lifestyle that Alaska offers may offset the potential increases in the cost of living. On the other hand, the isolation and harsh climate characteristic of some Alaskan communities is too much for some people to endure at any level of income.

Alaska's size, climate, and distance from markets explains much of the difference in living costs between Alaska and the rest of the continental U.S.

Table 1
ACCRA Inter-City Cost of Living Index 1st Quarter 1987

City	All Items Index	Grocery Items	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
West							
ANCHORAGE, AK	136.4	134.5	148.9	99.0	123.3	190.7	135.0
FAIRBANKS, AK	137.6	126.9	143.2	108.8	120.8	224.4	136.9
JUNEAU, AK	143.5	131.3	148.6	130.2	148.2	221.4	131.2
Salt Lake City, UT	98.8	96.5	90.3	89.9	100.8	105.4	107.3
San Diego, CA	121.8	102.2	178.0	79.1	120.8	130.0	105.8
Seattle, WA	108.5	111.4	104.6	56.6	110.9	161.5	115.3
Southwest							
Albuquerque, NM	102.8	104.4	114.0	85.0	101.4	108.8	99.4
Dallas, TX	106.6	104.6	106.8	106.9	105.7	119.0	105.0
Phoenix, AZ	105.1	101.4	108.5	93.1	101.6	130.5	104.7
Midwest							
Saint Paul, MN	103.7	94.2	112.0	109.5	115.1	104.3	95.8
Omaha, NE	98.0	89.0	96.7	87.1	101.1	93.0	107.8
St. Louis, MO	100.1	99.4	99.7	105.1	95.7	107.3	99.2
Southeast							
Atlanta, GA	111.9	99.5	132.0	127.9	97.0	113.6	104.4
Birmingham, AL	99.7	99.7	94.9	105.5	102.7	104.6	98.5
Louisville, KY	96.1	95.5	91.9	98.6	99.0	101.5	96.1
Atlantic/New Eng.							
Baltimore, MD	105.2	99.3	114.2	99.2	105.9	106.5	103.5
Boston, MA	152.2	116.4	271.3	126.1	111.5	154.2	112.0
New York, NY	137.2	111.1	183.8	182.6	114.0	144.8	109.6
Philadelphia, PA	118.7	112.3	122.0	157.7	101.5	134.4	109.5

Source: *Inter-City Cost of Living Index*, (247 Cities) 1st Quarter 1987. American Chamber of Commerce Researchers Association.

Alaska's smaller isolated towns may not have the price variations available in larger cities.

Cost of Living Measures

There are several comparative cost of living measurements available, each with their strengths and weaknesses. Most cost of living measures presented here give a comparison of costs between communities at a point in time. The only measure of change in costs over time for Alaska is the Anchorage consumer price index, which is produced by the U.S. Department of Labor, Bureau of Labor Statistics.

Used together, the data presented here make it possible to estimate the difference in costs between communities in Alaska and or between communities in Alaska and the rest of the U.S.

ACCRA Inter-City Cost of Living Index

Each quarter, the American Chamber of Commerce Researchers Association (ACCRA) gathers price data for more than 240 cities throughout the U.S. and compiles them into the *Inter-*

City Cost of Living Index. Fifty-nine items are priced at the local level by chamber of commerce personnel at specified times using standard methodology. The items priced are intended to represent the spending patterns of a mid-management executive household in the community. Once the price data is gathered it is converted to an index number.

The ACCRA index measures relative price differences for consumer goods and services between the participating cities. It compares the local community index to the national average of 100. The 59 items priced are limited so the ACCRA does not treat percentage differences between two index numbers as exact cost of living differentials. Differences of less than three index numbers (for example 107 versus 104) are considered insignificant and may not correctly show which city is more expensive. Differences of more than three index numbers are considered to represent a difference in the cost of living between two locations.

Table 2
ACCRA Inter-City Cost of Living Index 1st Quarter 1987

City	1 lb Ground Beef	1/2 gal Whole Milk	1 lb Coffee	House Purchase Price	Total Energy Costs	1 gal Gas	Hospital Room	Office Visit Doctor
West								
ANCHORAGE, AK	\$1.24	\$1.73	\$4.49	\$131,633	\$118.09	\$.86	\$354.50	\$41.67
FAIRBANKS, AK	1.35	1.79	4.05	126,725	127.98	.99	305.00	43.10
JUNEAU, AK	1.57	1.69	3.64	133,500	146.91	1.27	350.00	38.33
Salt Lake City, UT	1.14	1.02	3.64	80,969	98.18	.80	239.00	22.60
San Diego, CA	1.21	1.01	3.16	147,500	92.09	.84	283.20	32.80
Seattle, WA	1.36	1.17	3.96	92,341	59.15	.76	259.75	38.40
Southwest								
Albuquerque, NM	1.01	1.15	3.71	103,923	96.27	.75	232.60	24.86
Dallas, TX	1.35	1.30	3.11	94,391	126.04	.78	206.30	32.60
Phoenix, AZ	1.41	.95	3.45	94,583	107.07	.76	251.00	32.40
Midwest								
Saint Paul, MN	1.19	1.06	3.49	96,400	124.93	.84	269.00	22.80
Omaha, NE	1.01	1.04	4.11	80,900	95.61	.85	183.00	21.00
St. Louis, MO	1.24	1.11	3.82	85,510	124.86	.80	201.80	31.80
Southeast								
Atlanta, GA	1.22	1.40	3.55	119,000	148.95	.74	194.75	30.00
Birmingham, AL	1.32	1.23	3.12	86,400	115.89	.81	211.20	29.40
Louisville, KY	1.03	1.35	3.51	81,300	110.79	.85	226.50	28.00
Atlantic/New Eng.								
Baltimore, MD	1.33	1.03	3.34	97,460	111.45	.80	265.40	27.40
Boston, MA	1.72	1.02	3.24	225,000	146.91	.82	367.40	43.80
New York, NY	1.59	1.29	2.97	135,000	215.62	.82	232.00	48.00
Philadelphia, PA	1.82	1.10	3.48	102,280	191.85	.80	385.20	31.00
ALL CITIES MEAN¹	1.26	1.19	3.32	89,163	115.22	.84	201.23	24.55

¹ All cities mean is the mean price of all 247 cities surveyed in the second quarter 1987

Source: *Inter-City Cost of Living Index*. (247 Cities) 1st Quarter 1987. American Chamber of Commerce Researchers Association.

In addition to a small number of items priced, the ACCRA index has other limitations. For example, the ACCRA index does not include state and local taxes due to the difficulty in measuring each areas total tax burden. In comparing Alaska to other areas, this could be an integral part in the overall difference in the cost of living because Alaska has no state personal income tax and many local area tax burdens are relatively low when compared to other locations in the U.S.

Tables 1 and 2 are excerpted from the first quarter 1987 ACCRA index and compare Anchorage, Fairbanks and Juneau to 16 other cities in the U.S. Data on more than 220 additional cities is also available upon request from the American Chamber of Commerce Researchers Association, the Anchorage Chamber of Commerce, the Alaska Department of Labor, research and analysis section or your

local chamber of commerce if your city is a participant in the ACCRA index. The cities chosen for Tables 1 and 2 are only a representative sample of those available.

With the exception of Boston and New York City, the three Alaskan cities were the most expensive cities surveyed. In nearly every one of the six subcategories of the index the Alaskan cities were 25 to 30 percent more expensive to live in than the average city surveyed. The three Alaskan cities were higher in nearly every index subcategory while other high cost cities such as Boston and New York City tend to be more expensive in the housing, utilities and health care indexes and not far from the survey average in the groceries, transportation and miscellaneous goods and services subcategories.

This pattern in the indexes indicate that the overall cost of living in the

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three Alaskan cities is comparable to that of New York City but that in Alaska the higher cost of living is not attributable to just one item. In contrast, the relatively high cost of living in the urban areas which have costs of living similar to the Alaskan cities can be attributed to the high demand that large population centers have for essential services such as housing, utilities and health care.

Trends in the ACCRA index indicate that it is becoming relatively less expensive to live in the three Alaskan cities because the housing component of the index, the largest part of the total budget, has become less expensive in the last year. (Table 3) Falling house prices and a shakeout in the Alaskan real estate market are the sources for the drop in housing costs. An indication of this trend is a drop in apartment rental prices in the ACCRA survey of 10-15% since the second quarter of 1985.

Just as important, the ACCRA indexes point to a tremendous difference in the cost of health care services in Alaska when compared to other locations. This magnitude of the cost differential as measured by this particular index may be on shaky ground because of the limited number of items priced, but the health care services items that were priced were at least 60% higher than the median price for all cities surveyed. Another factor is that in Alaska's urban areas some medical services are unavailable and patients must be transported

to Seattle to receive adequate medical care. In short the ACCRA index indicates that Alaska's remote location and the small market size tend to affect health care costs even more dramatically than the average good or service.

Both the index numbers and the average prices for all of the cities surveyed are published in the *Inter-City Cost of Living Index*. The ACCRA quarterly survey is available at an annual rate of \$75.00. Subscriptions may be ordered by writing to the following address:

Mrs. Alice Klien
ACCRA Project Treasurer
Louisville Chamber of Commerce
One Riverfront Plaza
Louisville, KY 40202

Cost of Food at Home

Comparing the cost of living between communities in Alaska is complicated by several factors. Many goods and services available in larger cities are not readily available at any price in Alaska's rural areas. The consumption habits of urban Alaskans vary from their rural counterparts. This results in different "typical" market baskets in urban and rural areas and complicates any comparison in the cost of living. Subsistence contributions also make cost of living comparisons more difficult.

The University of Alaska, in cooperation with the U.S. Department of Agriculture, does a quarterly survey of food prices in an attempt to measure how much it costs to feed various size families at different locations throughout the state. Some additional expenditures such as gasoline, heating oil and electricity are included in the survey. While the Cost of Food at Home survey is not a comprehensive survey of living costs at these locations, it does provide some idea of the relative cost of living in the surveyed areas.

Table 4 is an excerpt from the Cost of Food at Home survey for March 1987. The Cost of Food at Home data suggest that there are three tiers of living costs within those cities surveyed. Urban areas of the state tend to have food costs very near those of Anchorage, while Anchorage food

Table 3
Anchorage All Items and Housing Indexes
1st Quarter 1985 to 1st Quarter 1987

Qtr/Year	Anchorage All Items	U.S. All Items	Anchorage Housing	U.S. Housing
1/85	142.0	100.0	170.8	100.0
2/85	139.2	100.0	174.4	100.0
3/85	139.1	100.0	170.8	100.0
4/85	139.4	100.0	178.7	100.0
1/86	*	100.0	*	100.0
2/86	140.6	100.0	166.3	100.0
3/86	139.4	100.0	160.8	100.0
4/86	134.3	100.0	141.3	100.0
1/87	136.4	100.0	148.9	100.0

* No observation for Anchorage for 1st quarter 1986.

Source: American Chamber of Commerce Researchers Association, *Inter-City Cost of Living Index*. First Quarter 1985-First Quarter 1987.

Table 4
Cost of Selected Items in Various Alaskan Communities
March 1987

Community	Percent Sales Tax	Cost of Food, 1 week ¹	Ratio of Food Cost to Anchorage Average (percent)	Ratio of Food Cost to U.S. Average (percent)	Electricity (1000 kwh)	Heating Oil (55 gal)	Unleaded Gas 1 gal	Lumber (2x4x8)
U.S. Average	0%	\$84.10	95%	100%	-	-	-	-
Anchorage	0	88.65	100	105	\$62.40	\$45.65	0.90	-
Bethel	5	142.14	160	169	148.05	66.50	1.53	3.50
Delta	0	133.55	151	159	78.65	41.80	0.99	2.10
Dillingham	3	137.50	155	163	114.40	72.99	1.59	3.20
Fairbanks	0	90.65	102	108	80.78	40.43	0.89	1.88
Juneau	4	88.07	99	105	113.12	50.46	1.36	2.11
Kenai	5	93.81	106	112	80.00	45.28	1.02	2.05
Ketchikan	5	88.25	100	105	96.55	46.75	1.30	1.84
Kodiak	5	108.92	123	130	160.00	60.50	1.36	1.87
Kotzebue	3	137.35	155	163	239.62	69.85	1.76	2.97
MatSu	0	89.98	102	107	85.49	49.50	1.04	1.85
McGrath	0	133.22	150	158	253.75	121.00	2.20	4.75
Nome	4	143.29	162	170	87.20	80.30	1.70	3.38
Sitka	4	99.80	113	119	66.00	44.18	1.28	2.33
Tok	0	116.90	132	139	195.90	45.63	1.12	-
Unalakleet	0	146.25	165	174	-	118.80	2.21	-
Valdez	0	112.69	127	134	164.10	45.10	1.20	1.68

¹ Family of four with elementary school children

Sales tax included in food and utility cost.

-Data unavailable

Source: "Cost of Food at Home for a Week," March 1987. University of Alaska Cooperative Extension Service, U.S. Dept. of Agriculture and SEA Grant Cooperating

costs tend to be five to seven percent higher than the U.S. average.

The next tier of food costs are in communities which are smaller than the urban centers but not isolated because of transportation modes. Examples of this type of community are Kodiak and Valdez. These communities tend to have food costs 20 to 30 percent higher than Anchorage but they are not the most expensive communities in the state.

The most expensive communities in Alaska are small, relatively isolated communities. Food costs in these areas tend to be 50 to 70 percent higher than they are in Anchorage. Examples of these communities are Bethel, Kotzebue and McGrath.

A historical study of the Cost of Food at Home survey indicates that the cost of living gap between Alaska and the U.S. has gradually narrowed. Despite this convergence, the three tiers of living costs within Alaska have remained. In 1978, the Cost of Food at Home in Anchorage was 47.9%

above the national average but by September of 1986 that gap had narrowed to a 10% difference (Table 5). A similar narrowing of the cost of food occurred between the U.S. average and Valdez and Bethel, two communities representative of the other two cost of living tiers. However the relative difference in cost of living between the urban areas, the small communities on mainline transportation and the isolated communities has been evident throughout this period.

The most noteworthy change identified is that food costs have moved toward the U.S. average faster in Anchorage than in those smaller communities that are on mainline transportation routes. Since 1978, the difference between the cost of food in Anchorage and Valdez has grown larger while the difference in food costs between Anchorage and the U.S. average has grown smaller. This change indicates that during the last ten years the Anchorage market has grown to a size which makes transportation of goods less of a cost factor in the Anchorage cost of living

The ACCRA indexes point to a tremendous difference in the cost of health care services in Alaska.

Table 5
Cost of Food at Home for a Week 1978-1986¹

Mo/Year	U.S.	Anchorage	Percent of US Average	Valdez	Percent of US Average	Bethel	Percent of US Average
9/78	\$56.90	\$76.67	147.9%	\$85.42	150.1%	\$114.05	200.4%
12/79	63.70	85.80	144.3	-	-	120.44	189.1
9/80	69.20	88.44	130.8	97.70	141.2	130.87	190.2
9/81	72.90	86.69	135.1	106.68	146.3	138.66	168.2
9/82	74.60	77.30	123.4	-	-	125.50	171.5
9/83	74.80	81.66	112.0	-	-	128.30	176.0
9/84	77.60	84.22	117.6	102.41	132.0	136.54	176.0
9/85	78.30	89.06	115.0	103.57	132.3	138.13	176.4
9/86	82.00	87.25	110.5	106.85	130.3	137.96	168.2

¹ Family of four with elementary school children

Sales tax included in food prices

- Data unavailable

Source: "Cost of Food at Home for a Week," September 1978 to September 1986
University of Alaska Cooperative Extension Service.
U.S. Dept. of Agriculture and SEA Grant Cooperating

than it was ten years ago, at least as far as food costs are concerned.

Keep in mind however that the ACCRA survey indicates a much greater difference in the cost of food than is indicated by Cost of Food at Home for a Week. This could be due to the limited number of items priced by the ACCRA survey and also because of the different audiences the surveys are targeting. The ACCRA survey is designed based on the budget of a mid-management level executive while Cost of Food at Home is designed to find the minimum cost of providing a nutritionally sound diet for different family sizes.

Geographic Differential Study, 1985

A study done in April 1985 for the State of Alaska Department of Administration, Division of Labor Relations studied the differences in cost of living between Seattle, Anchorage, and twenty other election districts for the purpose of determining fair compensation levels for state employees. The study, entitled *Alaska Geographic Differential Study, 1985*, found that there are three cost of living tiers in the state. If Anchorage was considered as the base, most of the urban communities fell into that category having little or no differences in living costs between themselves and Anchorage. A second group of communities ranged from a 5 to 11%

higher cost of living than Anchorage, while the rural areas ranged from 26% to 45% higher living costs than Anchorage. For more information about the *Alaska Geographic Differential Study, 1985* contact the Alaska Department of Administration, Division of Labor Relations.

Consumer Price Index

The consumer price index (CPI) is the most comprehensive ongoing consumer expenditure survey in the nation. The CPI is one of the most frequently used cost measures because of its relatively high profile. The U.S. Department of Labor, Bureau of Labor Statistics (BLS) produces a CPI for the U.S. and for selected urban areas. There are no CPI's for an entire state. In Alaska, a CPI is produced semiannually for Anchorage, published with the U.S. cities CPI for the months of January and July. The Anchorage CPI is a semiannual average index, which refers to the arithmetic averages of the six month period from January to June and July through December. Up until November 1986, the Anchorage CPI was published bimonthly. For 1985 and 1986 the BLS has calculated semiannual averages to measure changes in the semiannual index since 1985.

The CPI market basket includes expenditures made by typical consumers; from food and fuel to medical

services and entertainment. Each month, Bureau of Labor Statistics employees check prices of goods and services included in the market basket in all surveyed urban areas. BLS computes the CPI by assigning weights to each good or service in a survey area based upon the average expenditure for that good or service. An index is computed for individual index components as well as a total for all items. There are two differently weighted indexes, which results in two CPI's produced for each area. One is for all urban consumers (CPI-U) and one is for urban wage earners and clerical workers (CPI-W). The CPI-U approximates the buying habits of 80% of the civilian noninstitutionalized population. The CPI-W approximates the buying habits of 40% of the civilian noninstitutionalized population. The CPI-U was first produced in 1978, previous to that only the CPI-W was available.

The consumer price index (CPI) compares the cost of the current market basket to the cost in a base year. The base year currently being used is 1967. This is an important distinction from the ACCRA index because the CPI does not measure cost of living levels between locations. The CPI is a measurement of price changes in a given location over a period of time. In other words, the CPI can tell you how fast prices are increasing in one area compared to another, but it can-

not tell you in which area it is more expensive to live.

Table 6 compares the movement of the Anchorage CPI to the U.S. CPI from 1967 through 1986. In comparison to the U.S. cities average prices in Anchorage increased at a slower pace from October 1967 to 1974. This trend reversed itself during the period of pipeline construction, reflecting the inflationary impact of drastic economic expansion in Alaska. Prices in Anchorage increased at a more rapid rate than the rest of the nation from 1975-1977 and increased at a rate slightly below the national average in 1974 and 1978.

After completion of the pipeline, Anchorage prices began to rise at a slower rate than the rest of the nation. A decline in population and consumer spending as well as a period of adjustment following the heavy build up that occurred during the pipeline were all factors in the slowing rate of price increases in Anchorage.

From 1980 to 1982 the domination of residential lending by the Alaska Housing Finance Corporation makes it difficult to compare the change in the Anchorage index with the change in the U.S. cities index. Most probably Anchorage prices increased more rapidly than the the national average during this period because the Anchorage economy, especially the housing market, was going through a period of rapid expansion while most of the rest of the nation was in a recessionary period.

From 1983 to 1986 the changes in the Anchorage index have been almost identical to the changes in the U.S. cities average. Inflation throughout the nation has slowed due to the falling price of energy products. In 1986 the Anchorage index registered an identical increase in its annual CPI-U compared to the U.S. cities average. The moving together of the indexes during 1986 was due to the greater impact that falling energy prices had in the rest of the nation as opposed to Anchorage.

In the first half of 1987 the Anchorage CPI-U registered the smallest gain of all the cities measured by the Bureau of Labor Statistics. The slowdown in inflation was attributed to the continuing fall in

Table 6
Annual Average CPI's
Anchorage, Seattle-Everett, & U.S. City Average 1967-86

Year	U.S.	Percent Change	Anchorage	Percent Change	Seattle	Percent Change
1967	100.0	-	100.0	-	100.0	-
1968	104.2	4.2%	102.6	2.6%	104.1	4.1%
1969	109.8	5.4	105.9	3.1	109.2	4.9
1970	116.3	5.9	109.6	3.5	114.0	4.4
1971	121.3	4.3	112.9	3.0	116.4	2.1
1972	125.3	3.3	115.9	2.7	119.7	2.8
1973	133.1	6.2	120.8	4.2	127.5	11.1
1974	147.7	11.0	133.9	10.8	141.5	11.0
1975	161.2	9.1	152.3	13.7	155.8	10.1
1976	170.5	5.8	164.1	7.7	165.5	5.6
1977	181.5	6.5	175.0	6.6	177.6	8.0
1978	195.4	7.7	187.5	7.1	194.8	9.7
1979	217.4	11.3	207.0	10.4	216.3	11.0
1980	246.8	13.5	228.2	10.2	252.1	16.6
1981	272.4	10.4	246.5	8.0	279.7	10.9
1982	289.1	6.1	260.1	5.5	297.8	6.5
1983	298.4	3.2	264.8	1.8	302.8	1.7
1984	311.1	4.3	275.6	4.1	313.9	3.7
1985	322.2	3.6	282.3	2.4	321.9	2.6
1986	328.4	1.9	287.8	1.9	325.2	1.0

Source: U.S. Department of Labor, Bureau of Labor Statistics

housing costs in Anchorage.

Other Cost Measures

In addition to the various cost of living measures, the Alaska Department of Labor, research and analysis conducts wage surveys and special studies which help measure the cost of living in Alaska. Cost of labor has traditionally been an important consideration in business location decisions.

**In the first half of 1987
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registered the smallest
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of Labor Statistics.**

Table 7
Wage Rates in Selected Occupations 1986¹

Occupation	Statewide	Anchorage- MatSu	Interior	Southeast	Gulf Coast
Accountants & Auditors	\$15.79	\$14.11	\$15.89	\$14.56	\$14.90
Drafters	12.42	12.61	12.92	10.72	*
Nurses: Registered	13.66	13.52	12.95	14.00	13.12
Cashiers	7.70	7.46	7.47	7.94	7.36
Salespersons: Retail	8.06	8.09	8.76	8.16	7.06
Travel Agents	8.75	8.53	9.10	9.32	8.57
Bookkeeping, Accounting & Auditing Clerks	10.79	9.81	11.07	10.68	10.14
Clerical Supervisors & Office Managers	13.14	12.56	13.49	13.39	*
General Office Clerks	9.04	9.01	9.18	8.39	10.00
Receptionists & Info. Clerks	9.13	8.35	8.38	9.72	9.68
Secretaries	10.71	10.96	10.23	10.60	9.74
Tellers	7.85	7.77	8.11	7.89	*
Bartenders	8.89	8.53	8.50	8.66	9.23
Dental Assistants	10.90	11.33	10.07	11.32	10.62
Food Preparation Workers	7.28	7.35	6.33	7.42	6.45
Janitors & Cleaners	7.81	7.81	7.24	8.30	6.23
Maids & Housekeepers	7.03	6.77	6.07	6.59	6.97
Waiters & Waitresses	5.38	5.09	4.58	5.80	5.27
Carpenters	16.36	14.33	*	16.97	14.98
Electricians: Commercial	19.77	17.63	*	*	23.17
Helpers, Laborers & Material Movers: Hand	10.35	9.57	*	10.75	11.40
Mechanic: Automotive	15.41	17.61	*	14.18	11.70
Truck Drivers: Heavy or Tractor Trailer	13.68	13.49	14.04	12.91	15.07

* No observation or no comparable observation

¹ Wage rates are the average wage for a worker with two years of experience at that occupation.

Source: Alaska Wage Rates 1986: Alaska Department of Labor, Research & Analysis

Table 8
Cost of a "Quarter Pounder" Meal by Location
Alaska, August 1987

Location	Quarter Pounder w/ cheese	Large Fries	Medium Drink	Total Meal Cost	Percent of Anch.
Adak	\$2.19	\$.99	\$.79	\$3.97	115.1%
Anchorage	1.80	.90	.75	3.45	100.0
Eagle River	1.99	.99	.79	3.77	109.3
Fairbanks	1.95	.95	.79	3.69	107.0
Homer	1.86	.92	.74	3.52	102.0
Juneau	1.94	.99	.74	3.67	106.4
Kenai	1.89	.95	.77	3.61	104.6
Ketchikan	1.95	.99	.70	3.64	105.5
Kodiak	1.99	.99	.80	3.78	109.6
Sitka	1.94	.99	.74	3.67	106.4
Soldotna	1.89	.95	.77	3.61	104.6
Wasilla	1.99	.99	.79	3.77	109.3
Avg. Price	1.95	.97	.76	3.68	

Quarter Pounder is a registered trademark of the McDonalds Corporation

Prices surveyed August 5-7, 1987

Table 7 lists the wage rates for selected occupations for a worker with two years of experience in that occupation. The U.S. Department of Labor, Bureau of Labor Statistics publishes wage studies for all states and for selected areas within states. A comparison of wage data for the Alaska region with the wage data for individual areas will assist in determining the difference in labor costs between areas.

While no universal cost of living comparison is available for every city in Alaska and the U.S., many communities in both Alaska and the U.S. have a McDonald's restaurant. As such the the Alaska Department of Labor has developed the Quarter Pounder Meal Index for the purpose of comparing Alaska communities to each other as well as to the location nearest to you (Table 8).